



February 19, 2025

The Honorable Larry Alley, Chairperson
 Senate Committee on Commerce
 300 SW 10th Avenue, Room 159-S
 Topeka, Kansas 66612

Dear Senator Alley:

SUBJECT: Fiscal Note for SB 189 by Senator Sykes, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning SB 189 is respectfully submitted to your committee.

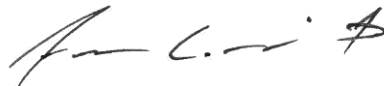
SB 189 would require an employer to pay for the services of a healthcare provider designated by an injured employee for workers compensation claims. The bill would remove provisions in current statute that allow an employer to submit alternative healthcare provider names to the injured employee if the healthcare rendered by an initial provider is not satisfactory. The bill would also remove provisions that allow an employee to consult a healthcare provider of the employee's choice and have the employer pay for such healthcare up to \$800.

Estimated State Fiscal Effect			
	FY 2025	FY 2026	FY 2027
Expenditures			
State General Fund	--	--	--
Fee Fund(s)	--	\$1,599,356	\$1,667,381
Federal Fund	--	--	--
Total Expenditures	--	\$1,599,356	\$1,667,381
Revenues			
State General Fund	--	--	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	--	--
FTE Positions	--	--	--

The Division of the State Employee Health Benefits Program in the Department of Administration indicates enactment of the bill would require \$1,599,356 in FY 2026 and \$1,667,381 in FY 2027 from the State Self Insurance Fund. Revenue in this fund comes from payroll premiums from state employees and is considered off-budget. The Department states that the estimated savings by requiring employees to see in-network healthcare providers totaled \$1,236,818.53 in 2024, which it assumes will be the baseline amount for FY 2026. Assuming a 5.50 percent increase in costs, the agency estimates medical costs to total \$1,304,843.55 in FY 2027. In addition, the Department estimates 194 independent medical examinations would be conducted in FY 2026 and FY 2027 at a cost of \$1,868.68 per exam for a total of \$362,537.50 in additional costs in FY 2026 and FY 2027. As a result, the bill would increase expenditures to the Department by \$1,599,356.03 in FY 2026 (\$1,236,818.53 lost network savings + \$362,537.50 independent medical evaluations) and \$1,667,381.05 in FY 2027 (\$1,304,843.55 + \$362,537.50).

The Insurance Department indicates enactment of the bill would not have a fiscal effect on the agency. Any fiscal effect associated with SB 189 is not reflected in *The FY 2026 Governor's Budget Report*.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Samir Arif, Department of Administration
Dawn Palmberg, Department of Labor