

SESSION OF 2012

**CONFERENCE COMMITTEE REPORT BRIEF  
SENATE BILL NO. 14**

As Agreed to May 1, 2012

**Brief\***

SB 14 would amend a statute governing the Newborn Screening Program and certain newborn screening tests to establish a new fund and funding mechanism for the Program. (This statute, KSA 2011 Supp. 65-180, was amended by section 39 of 2012 Sub. for SB 397).

Specifically, the bill would establish the Kansas Newborn Screening Fund in the Kansas Department of Health and Environment (KDHE) and create a mechanism for depositing a portion of the privilege fees received by the State from Health Maintenance Organizations (HMOs) into the new Fund. All expenditures from the Fund must be used for the Program.

The bill would direct the Director of Accounts and Reports to determine, on a monthly basis, the amount of receipts from health maintenance organizations' privilege fee collections and to transfer the amount necessary to fund the Newborn Screening Program for the preceding month as certified by the Secretary of the Department of Health and Environment, or designee. The transfer could not exceed the amount credited to the State General Fund pursuant to KSA 40-3213.

KSA 2011 Supp. 40-3213 requires HMOs to pay, on an annual basis, a privilege fee in an amount equal to 1 percent

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per annum of the total of all premiums, subscription charges, or other similar charges made by the HMO to its enrollees. Under current law, the entire amount of the collected privilege fees are deposited into the State General Fund.

### **Conference Committee Action**

The Conference Committee agreed to the House amendments to the bill and agreed to further delete all provisions in the bill.

The Conference Committee agreed to then insert the provisions of SB 436 (as amended by Senate Committee), a bill creating a new Fund and funding mechanism for the State's Newborn Screening Program. The Conference Committee further agreed to delete the statute governing the payment of privilege fees by Health Maintenance Organizations (the statute is referenced in the remaining language). The Conference Committee also made technical amendments to reconcile amendments to KSA 65-180 with amendments made to the statute in Sub. for SB 397 (approved by the Governor on April 6, 2012). The title of the bill also is updated.

The deleted provisions of SB 14 were enacted in prior legislation: amendments to the Kansas Uninsurable Health Insurance Plan Act (the State's High Risk Pool) were enacted in 2011 HB 2075 (Sections 6 and 7); and the Health Care Freedom Act provisions were enacted in 2011 HB 2182 (New Section 7). A description of SB 14, including bill action during the 2011 Session is provided in the Supplemental Note for the bill (as amended by House Committee of the Whole).

### **Background**

**SB 436.** The bill was introduced by the Senate Committee on Ways and Means. The Deputy Secretary, KDHE, as well as representatives of the March of Dimes and

Kansas Hospital Association testified in favor of the bill at the Senate Committee hearing. The Sisters of Charity of Leavenworth Health System and the Kansas Chapter of the American Academy of Pediatrics also submitted written testimony in favor of the bill.

The Senate Committee on Ways and Means amended the bill to eliminate the \$3.0 million annual cap on receipts to the Kansas Newborn Screening Fund and amend KSA 40-3213 to remit receipts based on the provisions of KSA 65-180 before the provisions of KSA 40-3213 take effect (deposit of privilege fee moneys in to the State General Fund).

The Division of the Budget fiscal note on the introduced version of SB 436 states the bill would decrease remittances to the State General Fund by up to \$3.0 million and would increase the balance on the Kansas Newborn Screening Fund by up to \$3.0 million, depending on the amount expended for the program as certified by the Secretary of Health and Environment or designee. The amended bill eliminates the \$3.0 million limitation. Moneys transferred under the funding mechanism in the amended version of the bill would no longer be deposited into the State General Fund.

Newborn screening; Kansas Newborn Screening Fund; HMO privilege fees

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