

February 16, 2011

The Honorable Vicki Schmidt, Chairperson
Senate Committee on Public Health and Welfare
Statehouse, Room 552-S
Topeka, Kansas 66612

Dear Senator Schmidt:

SUBJECT: Fiscal Note for SB 132 by Senate Committee on Public Health and Welfare

In accordance with KSA 75-3715a, the following fiscal note concerning SB 132 is respectfully submitted to your committee.

SB 132 would create the Kansas Comprehensive Oral Health Initiative Act. Under the Act, the Kansas Health Policy Authority (KHPA) would be required to include dental coverage for all Medicaid beneficiaries. KHPA would be responsible for appointing an independent commission to study the barriers that affect provider participation in Medicaid. The commission must report its findings to the KHPA, the Senate Committee on Public Health and Welfare, and the House Committee on Health and Human Services by January 15, 2012. KHPA would also be required to provide funding for the administrative costs of the Donated Dental Services Program for FY 2012 at a level equivalent to the amount spent in FY 2010. KHPA would be authorized to receive and expend donations, gifts, grants, or bequests to support the training and dental services provided under the Act.

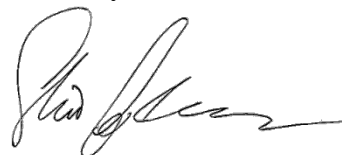
SB 132 would also establish the Kansas Dentistry Bridging Loan program, which would be located within and administered by the Kansas Department of Health and Environment (KDHE). The program would provide loans of \$10,000 each to students who commit to locating their practices in rural Kansas communities. The state loan must be matched with an equal or greater amount from local governments. The bill would also make amendments to the practice of dental hygiene. Finally, dental students who receive the Kansas in-state tuition rate at the University of Missouri-Kansas City School of Dentistry as part of an agreement with the Kansas Board of Regents would be required to provide dental services in Kansas for a minimum of four years after graduation.

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$4,523,914	\$10,690,113
FTE Pos.	--	--	--	--

The Kansas Health Policy Authority estimates that passage of SB 132 would require additional expenditures totaling \$4,443,914 from the State General Fund and \$10,610,113 from all funding sources in FY 2012. Under the bill, Medicaid assistance expenditures would increase by \$10,531,640, including \$4,370,441 from the State General Fund. These amounts assume that of 198,583 beneficiaries who may not have access to dental services, 114,127 or 57.0 percent would use the services at a rate of \$7.69 per consumer per month. Additionally, KHPA indicates that approximately \$5,000 from the State General Fund and \$10,000 from all funds would be needed in FY 2012 as a result of travel and contract costs related to establishing and administering the commission to study barriers to Medicaid dental program participation. Also, providing funds to the Donated Dental Services Program would require \$68,473 from the State General Fund in FY 2012.

According to the Kansas Department of Health and Environment, approximately \$80,000 from the State General Fund would be required in FY 2012 for the Kansas Dentistry Bridging Grant program; however, all funds would be directly passed to the grantees. The amount assumes eight students would receive loan assistance. No portion of the funding would be used for KDHE program administrative costs. The Department states that the agency already receives federal funds to administer dental recruitment and loan repayment programs. The new program could be implemented without additional staff or costs. The Kansas Dental Board indicates that passage of the bill would have no fiscal effect on Board operations. Any fiscal effect associated with SB 132 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Pat Kuester, Health & Environment
Betty Wright, Dental Board
Scott Brunner, Health Policy Authority