

February 28, 2013

The Honorable Clark Shultz, Chairperson
House Committee on Insurance
Statehouse, Room 521-E
Topeka, Kansas 66612

Dear Representative Shultz:

SUBJECT: Fiscal Note for HB 2317 by Representative Siegfried

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2317 is respectfully submitted to your committee.

HB 2317 would require individual and group health plans, the State Employee Health Plan (SEHP) and any municipal funded pools to provide for the diagnosis and treatment of children with autism spectrum disorder. Coverage from birth to less than age seven could not exceed \$36,000 per year. Coverage for children age seven but less than age nineteen could not exceed \$27,000 per year. Treatment would be defined to include applied behavioral analysis provided by an autism specialist or intensive individual service provider.

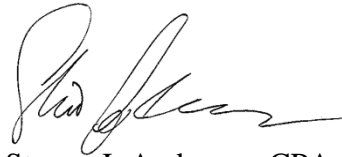
Estimated State Fiscal Effect				
	FY 2013 SGF	FY 2013 All Funds	FY 2014 SGF	FY 2014 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	\$267,249
FTE Pos.	--	--	--	--

The State Employee Health Plan (SEHP) was required to provide coverage for services for the diagnosis and treatment of Autism Spectrum Disorder (ASD) for members under the age of nineteen beginning January 1, 2011. Modification of the SEHP was necessary to include the coverage. The Kansas State Employees Health Care Commission has elected to continue the pilot through plan year 2013, but has not yet addressed plan year 2014. The plan experienced a 60.0 percent increase in cost for individuals with autism from 2011 to 2012. There is an assumption of 30.0 percent increase in cost for 2013 and 15.0 percent for 2014 to reach full utilization of the program. Continuing coverage for the diagnosis and treatment of children with autism spectrum disorder in plan year 2014 will increase FY 2014 expenditures by \$267,240.

The SEHP expects this program to follow the projected healthcare trend for every year after 2014. The expected healthcare trend in 2015 is that costs will increase by 7.5 percent.

The Kansas Insurance Department states that the new requirements would be included in policies, plans and contracts that are already reviewed in the normal course of business and the agency would experience no fiscal effect as a result of this bill. To the extent that local governments and private businesses provide employer sponsored health insurance plans additional plan expenditures could occur. The additional expenditures may or may not be passed along in the form of premium increases. Any fiscal effect associated with HB 2317 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

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

cc: Zac Anshutz, Insurance Department
Aaron Dunkel, KDHE
Dave Halferty, KDADS