

February 26, 2015

The Honorable John Barker, Chairperson
House Committee on Judiciary
Statehouse, Room 149-S
Topeka, Kansas 66612

Dear Representative Barker:

SUBJECT: Fiscal Note for HB 2081 by House Committee on Judiciary

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2081 is respectfully submitted to your committee.

HB 2081 would enact the Disclosure of Unanticipated Medical Outcomes and Medical Errors Act. All health care providers who hold a license or temporary permit from the Board of Healing Arts or persons who are engaged in postgraduate training programs approved by the Board of Healing Arts would be required to disclose unanticipated outcomes and medical errors within seven days of its discovery. The bill would also require medical care facilities to develop formal disclosure policies. Disclosure requirements would range from serious to minor, and would apply to all 14 professions licensed by the Board of Healing Arts. The bill would provide for civil fines of \$10,000 per incident when there is a failure to disclose an error or unanticipated outcome.

The Board of Healing Arts indicates that the passage of HB 2081 would result in increased complaints, investigations, and caseload activity and would therefore require an increase in FTE positions and operating expenditures. The table below shows the breakdown for the additional cost of \$634,464 and 8.00 FTE positions.

2.00 FTE Investigator Positions @ \$49,554	\$ 99,108
1.00 FTE Administrative Assistant	38,783
1.00 FTE Sr. Administrative Assistant	38,783
1.00 FTE Associate Litigation Counsel	68,500
2.00 FTE Legal Assistant Positions @\$49,554	99,108
1.00 FTE Sr. Assistant General Counsel	68,500
Subtotal Salaries & Wages	\$412,784
Office Furniture and Equipment @ \$8,000 per person	64,000
Telephone, e-mail, and Internet Lines @ \$640 per month X 12	7,680
Office Space of 1,000 sq. ft. @ \$12.50 per sq. ft. per month	150,000
Total	\$634,464

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The Division of the Budget considers the fiscal estimate prepared by the Board of Healing Arts to be excessive. Although it is understandable that the agency would want to be prepared for the implementation of HB 2081, it appears that the estimate includes more FTE positions as well as more operating expenditures than would be necessary. Any fiscal effect associated with HB 2081 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Cathy Brown, Healing Arts
Aaron Dunkel, KDHE