

February 18, 2016

REVISED

The Honorable Daniel Hawkins, Chairperson  
House Committee on Health and Human Services  
Statehouse, Room 521-E  
Topeka, Kansas 66612

Dear Representative Hawkins:

**SUBJECT:** Revised Fiscal Note for HB 2324 by House Committee on Health and Human Services

In accordance with KSA 75-3715a, the following revised fiscal note concerning HB 2324 is respectfully submitted to your committee.

HB 2324 would enact the Newell Stillbirth Research and Dignity Act. The act would require the Secretary of the Kansas Department of Health and Environment (KDHE), in consultation with the Behavioral Sciences Regulatory Board, the State Board of Nursing and the State Board of Healing Arts, to develop and prescribe by rules and regulations comprehensive policies and procedures to be followed by general hospitals and freestanding birth centers in Kansas when a stillbirth occurs.

The State Board of Healing Arts indicates that HB 2324 could increase the number of complaints it receives regarding practitioners alleged to have violated requirements of the Act. However, an estimate of the fiscal effect cannot be made at this time. Administrative requirements placed upon the Behavioral Sciences Regulatory Board and the Kansas State Board of Nursing by the Act can be performed within existing resources.

KDHE originally stated that requirements of the bill could be met within existing agency resources. However, upon further review, the agency now states that 2.00 new FTE positions would be required. One position would be a trainer/technical resource for hospitals and birthing centers. This position would help hospitals and birthing centers come into compliance with the law and assist them with the required state data system. The second position would be an Epidemiologist engaged in preparing the necessary reports and doing file review for the stillbirths that would occur in the state. Salary and operating costs for these new positions are estimated at \$145,935 per year from the State General Fund.

The bill would require KDHE to determine best practice and provide birthing centers and hospitals with material and guidance on interacting with families that experience a stillbirth. That would require the state to engage subject matter experts (SME) in defining these best practices and assisting in creating rules and regulations. The one-time cost estimate for this is \$104,000 (2 SMEs @ \$100/hour for 520 hours each = \$104,000) from the State General Fund. In addition the agency would have to develop and build a new data system to capture the multiple data elements required for assessment as outlined in the bill. KDHE estimates the data system would cost \$192,000 to build in year one (\$128/hour X 1500 hours = \$192,000), with \$48,000 in annual maintenance costs in subsequent years. For storage and sharing of associated image files, it would cost \$25,000 to contract with a web based image exchange that is HIPPA compliant in year one to set up the state exchange, and would cost an additional \$5,000 in annual retrieval costs (\$2.50 per image X 2,000 images) per year.

KDHE estimates that HB 2324 would require total additional expenditures of \$471,935 from the State General Fund in FY 2017. For subsequent years, additional costs are estimated at \$198,935 from the State General Fund. Any fiscal effect associated with HB 2324 is not reflected in *The FY 2017 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: Aaron Dunkel, Health & Environment  
Cathy Brown, Board of Healing Arts  
Mary Blubaugh, Board of Nursing  
Max Foster, Behavioral Sciences  
Glenda Haverkamp, Insurance