

February 28, 2017

The Honorable Troy Waymaster, Chairperson
House Committee on Appropriations
Statehouse, Room 111-N
Topeka, Kansas 66612

Dear Representative Waymaster:

SUBJECT: Fiscal Note for HB 2360 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2360 is respectfully submitted to your committee.

HB 2360 would implement State Employee Health Plan–Recommendation #3 from the Kansas Statewide Efficiency Review by Alvarez & Marsal.

The bill would transfer administration of the State Employees Health Plan (SEHP) from the Division of Health Care Finance in the Department of Health and Environment to the Department of Administration. A new division would be established in the Department of Administration called the Division of the State Employee Health Benefits Plan. All powers, duties, functions, employees and fund balances of the Division of Health Care Finance to administer the SEHP would be transferred to the Department of Administration.

Passage of HB 2360 would have no fiscal effect on state finances. The bill does not alter the funds, expenditures and positions that would shift from one agency to another and it does not make any changes to the SEHP. As included in *The FY 2018 Governor's Budget Report*, expenditures for the SEHP are estimated to be \$607.4 million in FY 2018 and \$637.0 million in FY 2019.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Colleen Becker, Department of Administration
Dan Thimmesch, Health & Environment