

STATE OF KANSAS

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GOVERNOR JEFF COLYER, M.D.
LARRY L. CAMPBELL, CHIEF BUDGET OFFICER

February 16, 2018

The Honorable Jeff Longbine, Chairperson
Senate Committee on Financial Institutions and Insurance
Statehouse, Room 341-E
Topeka, Kansas 66612

Dear Senator Longbine:

SUBJECT: Fiscal Note for SB 417 by Senate Committee on Public Health and Welfare

In accordance with KSA 75-3715a, the following fiscal note concerning SB 417 is respectfully submitted to your committee.

SB 417 would establish the Kansas Contraceptive Equity Act. The bill would require individual and group health insurance policies, medical service plans, contracts, hospital service corporation contracts, hospital and medical service corporation contracts, fraternal benefit societies and health maintenance organizations to provide coverage for certain services and contraceptive methods. Insurers or plans subject to the bill would not be allowed to impose deductibles, coinsurance, copayments or any other cost-sharing requirements on the coverage provided by bill. Grandfathered health plans could impose deductibles, coinsurance, copayments or other cost-sharing requirements.

Estimated State Fiscal Effect				
	FY 2018 SGF	FY 2018 All Funds	FY 2019 SGF	FY 2019 All Funds
Revenue	--	--	--	--
Expenditure	--	\$21,600	--	\$46,440
FTE Pos.	--	--	--	--

The Department of Health and Environment indicates enactment of SB 417 would have a fiscal effect on the agency and the Insurance Department indicates the bill would have an effect on local units of government and could have other fiscal implications for the state.

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The Department of Health and Environment indicates the State Employee Health Plan currently covers generic and single-source brands of services described in the bill. The bill would expand services to some multi-source products currently available on the market. Expanding these services is estimated to increase expenditures by \$21,600 in FY 2018 and by \$46,440 in FY 2019. Expenditures to cover these services are estimated to increase over the years. The Department further indicates that Medicaid currently covers the services outlined in the bill, expenditures and revenues would not be affected.

The Insurance Department estimates local units of government may experience increased expenditures because current plans offered to employees may not include services specified in the bill. Under current federal law, many of the services specified in the bill are allowable and covered. If federal law changes and services specified in the bill remain covered under state law, the state may experience increased expenditures to cover the services. There is no mechanism currently in place to pay for these potential increased costs. The Insurance Department estimates insurance companies would pay for the services and bill the state for reimbursement. The Insurance Department cannot estimate the fiscal effect of the bill because the Department is unable to estimate how many individuals would utilize increased services and how much those services would cost insurance companies. Any fiscal effect associated with SB 417 is not reflected in *The FY 2019 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Chief Budget Officer

cc: Dan Thimmesch, Health & Environment
Cody Gwaltney, Aging & Disability Services
Glenda Haverkamp, Insurance
Alexandra Blasi, Board of Pharmacy