

February 12, 2020

The Honorable Robert Olson, Chairperson
Senate Committee on Financial Institutions and Insurance
Statehouse, Room 236-E
Topeka, Kansas 66612

Dear Senator Olson:

SUBJECT: Fiscal Note for SB 376 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 376 is respectfully submitted to your committee.

SB 376 would establish a \$100 maximum out-of-pocket cost share obligation per month per covered person for prescription insulin beginning January 1, 2021. The provision would apply to large group or individual health insurance policies; health benefit plans; medical service plans; contracts; hospital service corporation contracts; hospital and medical service corporation contracts; fraternal benefit societies; and health maintenance organizations. The provision would also apply to the state employee healthcare benefits plan.

Estimated State Fiscal Effect				
	FY 2020 SGF	FY 2020 All Funds	FY 2021 SGF	FY 2021 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	\$81,500
FTE Pos.	--	--	--	--

The Kansas Department of Health and Environment (KDHE) estimates the bill would increase costs to the State Employee Health Plan by \$81,500 from special revenue funds in FY 2021. The estimate assumes a first-year annual cost increase of \$163,000. However, because the maximum out-of-pocket cost share obligation would not go into effect until January 1, 2021, only half of the annual cost would apply to FY 2021. KDHE estimates the cost would increase to \$176,855 in the out years, which assumes a usage and cost increase of \$13,855 or 8.5 percent.

The Kansas Insurance Department indicates the bill would have no fiscal effect on Department operations. Any fiscal effect associated with SB 376 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "L. L. Campbell". The signature is fluid and cursive, with the first name "L." and last name "Campbell" clearly visible.

Larry L. Campbell
Director of the Budget

cc: Bobbi Mariani, Insurance
Alexandra Blasi, Board of Pharmacy
Dan Thimmesch, Health & Environment