

March 3, 2021

The Honorable Sean Tarwater, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 151D-S
Topeka, Kansas 66612

Dear Representative Tarwater:

SUBJECT: Fiscal Note for HB 2312 by Representative Clayton

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2312 is respectfully submitted to your committee.

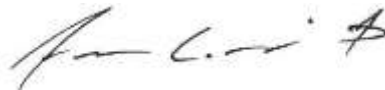
HB 2312 would amend workers compensation law to allow an injured employee rather than the employer to designate a healthcare provider from which to receive services. Employers would be required to pay for the healthcare services.

Estimated State Fiscal Effect				
	FY 2021 SGF	FY 2021 All Funds	FY 2022 SGF	FY 2022 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	\$1,062,294
FTE Pos.	--	--	--	--

The Department of Administration indicates the bill would result in the loss of network provider discounts, which would increase expenditures from the State Self Insurance Fund. The Department estimates the bill would increase expenditures from the State Self Insurance Fund by \$1,062,294 in FY 2022. The increase in State Self Insurance Fund expenditures would result in an increase in workers compensation assessment rates for state agencies. This would increase agency expenditures for employee benefits, which would be funded from a variety of funding sources including the State General Fund. However, the fiscal effect on state agencies cannot be determined because the rate increases that would occur under the bill are unknown. The Department estimates State Self Insurance Fund expenditures would increase by \$1,090,976 for FY 2023.

The Kansas Insurance Department indicates the bill could increase benefit payments from the Workers Compensation Fund. However, the agency is unable to estimate the fiscal effect. The bill would have no fiscal effect on the Department of Labor. Any fiscal effect associated with HB 2312 is not reflected in *The FY 2022 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Dawn Palmberg, Department of Labor
Jeff Scannell, Department of Administration