

March 22, 2021

The Honorable Steven Johnson, Chairperson
House Committee on Insurance and Pensions
Statehouse, Room 276A-W
Topeka, Kansas 66612

Dear Representative Johnson:

SUBJECT: Fiscal Note for HB 2343 by Representative Vaughn

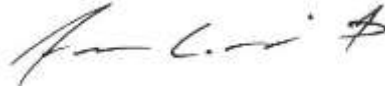
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2343 is respectfully submitted to your committee.

HB 2343 would require any individual or group health insurance policy, medical service plan, contract, hospital service corporation contract, hospital and medical service corporation contract, fraternal benefit society, or health maintenance organization that provides coverage for accident and health services that is delivered, issued for delivery, amended, or renewed on and after July 1, 2022, to provide coverage for prescription contraceptives dispensed in a quantity intended to last for a three-month period for the first dispensing and a 12-month period for subsequent dispensings of the same contraceptive to the insured, regardless, of whether the insured was enrolled in a policy, provision, contract, plan, or agreement at the time of the first dispensing. From and after July 1, 2021, the bill would apply to the State Health Care Benefits Program (SHCBP). On or before March 1, 2022, the State Employees Health Care Commission would be required to submit a report to the Legislature indicating the impact the bill's provisions have had on the SHCBP.

The Department of Administration estimates the bill's enactment would increase costs to the SHCBP by \$150,000 from special revenue funds for the final six months of calendar year 2021, since the bill's provisions would apply to the SHCBP on July 1, 2021. The Department estimates the cost would increase to \$325,500 in calendar year 2022 and \$353,168 in calendar year 2023, which assumes a cost and usage increase of 8.5 percent for both calendar years.

The Kansas Insurance Department indicates the bill would have no fiscal effect on Department operations. Any fiscal effect associated with HB 2343 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: Jeff Scannell, Department of Administration
Bobbi Mariani, Insurance