

STATE OF KANSAS



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LARRY L. CAMPBELL, CHIEF BUDGET OFFICER

February 9, 2018

The Honorable Daniel Hawkins, Chairperson
House Committee on Health and Human Services
Statehouse, Room 186-N
Topeka, Kansas 66612

Dear Representative Hawkins:

SUBJECT: Fiscal Note for HB 2674 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2674 is respectfully submitted to your committee.

HB 2674 would create the Kansas Telemedicine Act to establish coverage parity between in-person and telemedicine-delivered healthcare services and providers. The bill would define telemedicine, including telehealth, as the delivery of healthcare services or consultations while the patient is at an originating site and the physician or licensed mental healthcare professional is at a distant site. The definition specifies that telemedicine must be provided by means of real-time two-way interactive audio, visual, or audio-visual communications, including the application of secure video conferencing or store-and-forward technology to provide or support healthcare delivery, that facilitate the assessment, diagnosis, consultation, treatment, education and care management of a patient's healthcare. Further, the definition lists the types of communication that would not be considered telemedicine under this Act. The bill would also provide definitions for distant site and originating site. The bill specifies that the same requirements for patient privacy and confidentiality under the Health Insurance Portability and Accountability Act of 1996 and applicable portions of other federal laws that apply to healthcare services delivered via in-person visits would also apply to healthcare services delivered via telemedicine.

HB 2674 specifies that the provisions would apply to 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 and that is delivered, issued for delivery, amended or renewed on or after January 1, 2019. In addition, the provisions would apply to the Kansas Medical Assistance Program. The Kansas Behavioral Sciences Regulatory Board and the Kansas Board of Healings Arts (BOHA) would be required to adopt rules and regulations necessary to effectuate the provisions of the Kansas Telemedicine Act by December 31, 2018. The

BOHA, in consultation with the State Board of Pharmacy and the Board of Nursing, would be required to adopt rules and regulations relating to the prescribing of drugs, including controlled substances via telemedicine. Additional provisions related to requirements and exclusions under the Kansas Telemedicine Act are included in the bill.

Estimated State Fiscal Effect				
	FY 2018 SGF	FY 2018 All Funds	FY 2019 SGF	FY 2019 All Funds
Revenue	--	--	--	--
Expenditure	--	\$10,610	--	\$10,610
FTE Pos.	--	--	--	--

The Board of Healing Arts estimates HB 2674 would increase expenditures by \$21,220 from the Healing Arts Fee Fund, which includes \$420 to publish five proposed and adopted regulations in the *Kansas Register*, and \$20,800 to hire temporary administrative staff to assist the office in developing new rules and regulations by December 21, 2018. The agency indicates the total cost is divided equally at \$10,610 between FY 2018 and FY 2019 due to the six-month timeframe in which the temporary staff would be needed. The BOHA indicates HB 2674 could also create additional costs related to an increased number of reports and complaints and subsequent investigations, disciplinary cases, and associated operational expenses; however, an estimate of those costs cannot be determined. The Behavioral Sciences Regulatory Board indicates the enactment of HB 2674 would incur expenses to publish rules and regulations in the *Kansas Register*, but the cost would be negligible. Any fiscal effect associated with HB 2674 is not reflected in *The FY 2019 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Chief Budget Officer

cc: Max Foster, Behavioral Sciences
Beth Visocky, Board of Healing Arts