

February 3, 2021

The Honorable Richard Hilderbrand, Chairperson
Senate Committee on Public Health and Welfare
Statehouse, Room 445A-S
Topeka, Kansas 66612

Dear Senator Hilderbrand:

SUBJECT: Fiscal Note for SB 41 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 41 is respectfully submitted to your committee.

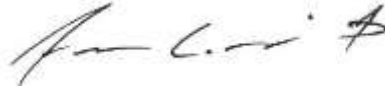
SB 41 would establish a \$100 maximum out-of-pocket cost share obligation per covered person for prescription insulin beginning January 1, 2022. The provision would apply to large group or individual health insurance policies; health benefit plans; medical service plans; contracts; hospital service corporation 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 2021 SGF	FY 2021 All Funds	FY 2022 SGF	FY 2022 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	\$55,500
FTE Pos.	--	--	--	--

The Department of Administration estimates the bill would increase costs to the State Employee Health Plan by \$55,500 from special revenue funds in FY 2022. The estimate assumes a first-year annual cost increase of \$111,000. However, because the maximum out-of-pocket cost share obligation would not go into effect until January 1, 2022, only half of the annual cost would apply to FY 2022. The Department estimates the cost would increase to \$120,435 in FY 2023 which assumes a cost and usage increase of \$9,435 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 41 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