

March 4, 2015

The Honorable Jeff King, Chairperson
Senate Committee on Judiciary
Statehouse, Room 341-E
Topeka, Kansas 66612

Dear Senator King:

SUBJECT: Fiscal Note for SB 96 by Senate Committee on Public Health and Welfare

In accordance with KSA 75-3715a, the following fiscal note concerning SB 96 is respectfully submitted to your committee.

SB 96 would require medical care facilities to implement policies to disclose unanticipated outcomes to patients and their families. The bill loosely defines a number of levels of unanticipated outcomes and medical errors and also defines a minimum set of data that must be provided in the notification to the patient and their family. In addition, the facility must provide the patient with an apology and an offer of support services when needed. A copy of the facility's disclosure policy would have to be filed with the Kansas Department of Health and Environment (KDHE) at the time of the implementation of the policy. Failure to disclose an error and failure to report such error to KDHE would result in a civil fine of \$10,000 per incident.

SB 96 would also require all health care providers who hold a license or temporary permit issued by the Kansas State Board of Healing Arts (KSBHA) and persons engaged in postgraduate training programs approved by the KSBHA to disclose unanticipated outcomes and medical errors within seven days of discovery.

Estimated State Fiscal Effect				
	FY 2015 SGF	FY 2015 All Funds	FY 2016 SGF	FY 2016 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

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KDHE would absorb any additional costs resulting from this bill within current resources. KSBHA indicates that the passage of SB 96 would result in increased complaints, investigations, and caseload activity and would therefore require an increase in FTE positions and operating expenditures. The table below shows the breakdown for the additional cost of \$634,464 and 8.00 FTE positions.

2.00 FTE Investigator Positions @ \$49,554	\$ 99,108
2.00 FTE Administrative Assistants @ \$38,783	77,566
1.00 FTE Associate Litigation Counsel	68,500
1.00 FTE Assistant General Counsel	68,500
2.00 FTE Legal Assistant Positions @ \$49,555	<u>99,110</u>
Subtotal Salaries & Wages	\$412,784
Office Furniture and Equipment @ \$8,000 per person	64,000
Telephone, e-mail, and Internet Lines @ \$640 per month X 12	7,680
Office Space of 1,000 sq. ft. @ \$12.50 per sq. ft. per month	<u>150,000</u>
Total	\$634,464

The Division of the Budget considers the fiscal estimate prepared by the Board of Healing Arts to be excessive. It appears that the estimate includes more FTE positions as well as more operating expenditures than would be necessary. Any fiscal effect associated with SB 96 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Cathy Brown, Healing Arts
Aaron Dunkel, KDHE