

February 12, 2019

The Honorable John Barker, Chairperson
House Committee on Federal and State Affairs
Statehouse, Room 285-N
Topeka, Kansas 66612

Dear Representative Barker:

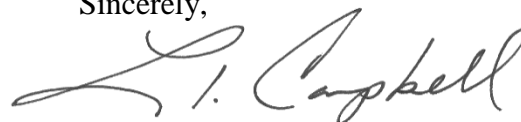
SUBJECT: Fiscal Note for HB 2107 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2107 is respectfully submitted to your committee.

HB 2107 would require health benefit plans issued on or after January 1, 2020, that include coverage for contraceptives to allow an insured person to receive a 12-month supply of a prescribed contraceptive at one time. The health benefit plan would provide full reimbursement at the time the prescription would be received by the insured. In addition, the amount of reimbursement would be for the total amount the insured is obligated to pay for the prescription.

The Kansas Department of Health and Environment indicates that enactment of HB 2107 would have a fiscal effect on expenditures for those covered by Medicaid. Medicaid already covers all costs of contraceptives for the insured, but does not cover up to a 12-month supply at once. The Department estimates the fiscal effect would be \$173,794 from all funds and \$70,978 from the State General Fund for FY 2020. This estimate is based upon an average cost of \$15.35 per member per month for 22,638-member months. The Department also indicates that enactment of the bill would have a fiscal effect on the State Employee Health Plan (SEHP). The Department estimates that 1,410 patients currently receive 90 day or less supply of contraceptives. SEHP estimates additional expenditures of \$11,635 for FY 2020 if some of those patients started receiving a full-year supply. Any fiscal effect associated with HB 2107 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Division of the Budget

cc: Glenda Haverkamp, Insurance
Dan Thimmesch, Health & Environment