

February 21, 2024

The Honorable William Sutton, Chairperson
 House Committee on Insurance
 300 SW 10th Avenue, Room 218-N
 Topeka, Kansas 66612

Dear Representative Sutton:

SUBJECT: Fiscal Note for HB 2689 by Representative Featherston, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2689 is respectfully submitted to your committee.

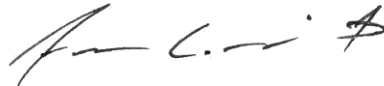
HB 2689 would prohibit cost-sharing requirements for diagnostic or supplemental breast examinations for breast cancer for every individual or group health insurance policy, medical service plan, contract, hospital service corporation contract, hospital and medical service corporation contract, fraternal benefit society or health maintenance organization that provides coverage for accident and health services that is delivered, issued for delivery, amended or renewed on or before January 1, 2025. The bill specifies that this requirement would only apply to health savings account-qualified high deductible health plans after the enrollee has satisfied the minimum deductible if federal law would result in health savings account ineligibility.

Estimated State Fiscal Effect			
	FY 2024	FY 2025	FY 2026
Expenditures			
State General Fund	--	--	--
Fee Fund(s)	--	\$75,477	\$159,257
Federal Fund	--	--	--
Total Expenditures	--	\$75,477	\$159,257
Revenues			
State General Fund	--	--	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	--	--
FTE Positions	--	--	--

The Department of Administration estimates enactment of the bill would increase expenditures to the State Employee Health Benefits Program by \$75,477 in FY 2025 (\$150,954 annually X 50.0 percent of the calendar year). For FY 2026, the agency assumes the growth in medical costs will be approximately 5.5 percent, resulting in increased expenditures totaling approximately \$159,257. The agency used calendar year 2023 claims experience data to provide the estimate, which only applies to members of the State Employee Health Plan and not all policies that would be affected by the bill. The agency notes that the State Employee Health Plan already covers the full cost of mammograms for members and additional costs would be for diagnostic MRIs, mammography, and ultrasounds. The additional costs would be factored into the premiums charged for the State Employee Health Plan.

The Department of Insurance states it does not have sufficient information to estimate the cost that enactment of the bill would have on insurance providers. Any fiscal effect associated with HB 2689 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Tamara Emery, Department of Administration
Bobbi Mariani, Insurance Department