

January 20, 2021

The Honorable Steve Johnson, Chairperson
House Committee on Insurance and Pensions
Statehouse, Room 276A-W
Topeka, Kansas 66612

Dear Representative Johnson:

SUBJECT: Fiscal Note for HB 2073 by House Committee on Insurance and Pensions

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2073 is respectfully submitted to your committee.

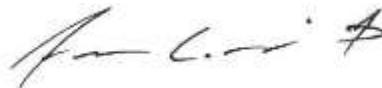
HB 2073 would create the Kristi L. Bennett Mental Health Parity Act, which would require health insurers to expand coverage for treatment of mental illness and substance use disorder. For patients who have substance use disorder, are afflicted with suicidal ideation, or are actively suicidal, the bill would require health insurers to provide coverage without the imposition of prior authorization, concurrent review, retrospective review, or other forms of utilization review for the first 14 days of medically necessary inpatient and 180 days of medically necessary outpatient treatment and services provided in-network.

For any inpatient treatment, a health insurer must provide all necessary network exceptions to ensure that the patient is admitted to a treatment facility within 24 hours if there is no in-network facility immediately available for a covered person. Providers who treat patients could not require prepayment of medical expenses during the first 14 days of inpatient and the first 180 days of outpatient treatment and services provided in-network in excess of any applicable co-payment, deductible, or co-insurance under the health benefit plan.

Estimated State Fiscal Effect				
	FY 2021 SGF	FY 2021 All Funds	FY 2022 SGF	FY 2022 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	\$872,112
FTE Pos.	--	--	--	--

The Kansas Department of Administration estimates that expanding mental illness and substance use disorder benefits would increase expenditures for the State Employee Health Plan (SEHP) by \$872,112 from special revenue funds in FY 2022. The Department's estimate assumes plan expenditures would increase by \$0.99 per member per month. As of January 1, 2021, there were 73,410 members. Total monthly expenditures would be \$72,676 (\$0.99 per member per month X 73,410 members), resulting in full FY 2022 costs of \$872,112 (\$72,676 per month X 12 months). The Department estimates expenditures of \$920,078 from special revenue funds in FY 2023, which includes a 5.50 percent increase costs per member per month due to medical expenditure trends. The Kansas Insurance Department indicates the bill would have no fiscal effect on Department operations. Any fiscal effect associated with HB 2073 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: Bobbi Mariani, Insurance
Jeff Scannell, Department of Administration