

March 6, 2020

The Honorable Jene Vickrey, Chairperson  
House Committee on Insurance  
Statehouse, Room 276A-W  
Topeka, Kansas 66612

Dear Representative Vickrey:

**SUBJECT:** Fiscal Note for HB 2556 by House Committee on Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2556 is respectfully submitted to your committee.

HB 2556 would create Julie's Law, which would require a health insurance policy to provide coverage for diagnosis and treatment of a patient who needs an orthotic or prosthetic device. The bill would require coverage to be at least equivalent to the coverage provided by the federal Medicaid program. The bill would require that the patient be provided the most appropriate device and service determined by the treating physician that restores the patient's functionality to optimal levels. Health insurance policies would be required to provide repair and replacement of an orthotic or prosthetic device that restores or maintains the patient's daily living and job-related activities.

The reimbursement rate for the devices provided by a health insurance policy would be at least equivalent to the federal Medicare program rate, no more restrictive than other benefits in the policy, and would be comparable to coverage of restorative internal devices without caps or lifetime restrictions. The bill also details other coverage requirements and restrictions.

The Kansas Department of Health and Environment estimates that enactment of HB 2556 would result in additional expenditures of \$2,601,191 (\$2.91 benefit increase per member per month x 74,490 members x 12 months) in FY 2021 from employer and employee contributions to the State Employee Health Plan. For FY 2022, the additional expenditure would be \$2,744,256.

The Kansas Insurance Department indicates that enactment of the bill would have a fiscal effect related to the Affordable Care Act, but the fiscal effect is unknown. The Department indicates the bill would be a new requirement under the Affordable Care Act for purposes of state cost defrayal. The Department states that enactment of the bill would have no fiscal effect to its operations.

The Kansas Department for Aging and Disability Services states that enactment of HB 2556 could have a fiscal effect on the Programs of All-Inclusive Care for the Elderly. However, the Department is unable to determine the fiscal effect because it requires more information to compare the changes in the bill to existing coverage. Any fiscal effect associated with HB 2556 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,

A handwritten signature in cursive script that reads "L. L. Campbell". The signature is written in black ink and is positioned above the printed name and title.

Larry L. Campbell  
Director of the Budget

cc: Bobbi Mariani, Insurance  
Dan Thimmesch, Health & Environment  
Connie Hubbell, Aging & Disability Services