

January 23, 2020

The Honorable Robert Olson, Chairperson  
Senate Committee on Financial Institutions and Insurance  
Statehouse, Room 236-E  
Topeka, Kansas 66612

Dear Senator Olson:

**SUBJECT:** Fiscal Note for SB 249 by Senator Holland, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning SB 249 is respectfully submitted to your committee.

SB 249 would create the Kristi L. Bennett Mental Health Parity Act, which would require health insurers to expand coverage of 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 or 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 2020 SGF	FY 2020 All Funds	FY 2021 SGF	FY 2021 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	\$884,941
FTE Pos.	--	--	--	--

The Kansas Department of Health and Environment (KDHE) estimates that expanding mental illness and substance use disorder benefits would increase expenditures for the State Employee Health Plan (SEHP) by \$884,941 from special revenue funds in FY 2021. The Department's estimate assumes plan expenditures would increase by \$0.99 per member per month. As of January 1, 2020, there were 74,490 members. Total monthly expenditures would be \$73,745 (\$0.99 per member per month X 74,490 members), resulting in full FY 2021 costs of \$884,941 (\$73,745 per month X 12 months). KDHE estimates expenditures of \$933,613 from special revenue funds in FY 2022, which includes a 5.50 percent increase 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 SB 249 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "L. L. Campbell". The signature is fluid and cursive, with a large initial "L" and "C".

Larry L. Campbell  
Director of the Budget

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