



February 5, 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 2595 by Representative Butler, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2595 is respectfully submitted to your committee.

HB 2595 would require the State Employee Health Care Commission to provide coverage for early egg and peanut allergen introductory dietary supplements. The bill would require the Commission to submit a report to the President of the Senate and the Speaker of the House of Representatives on or before March 1, 2026, containing the following information regarding dietary supplements for the 2025 plan year: (1) the impact the mandated coverage has had on the State Health Care Benefits Program, (2) data on the utilization of coverage and the costs of providing such coverage, and (3) a recommendation whether the mandated coverage should continue or if additional utilization and cost data is required.

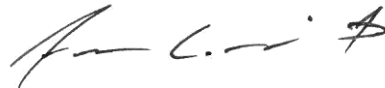
Following receipt of the report, the bill would allow the Legislature to consider whether to require the coverage in any individual or group health insurance policy, medical service plan, contract, hospital service corporation contract, hospital and medical service corporation contract, fraternal benefit society, or health maintenance organization that provides coverage for accident and health services on or after January 1, 2027.

Estimated State Fiscal Effect			
	FY 2024	FY 2025	FY 2026
Expenditures			
State General Fund	--	--	--
Fee Fund(s)	--	\$73,574	\$159,655
Federal Fund	--	--	--
Total Expenditures	--	\$73,574	\$159,655
Revenues			
State General Fund	--	--	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	--	--
FTE Positions	--	--	--

The Division of State Employee Health Benefits Programs in the Department of Administration indicates enactment of the bill would require \$73,574 in FY 2025 and \$159,655 in FY 2026 from agency funds. The Department estimates that approximately 647 children would participate in the coverage. Annual treatment costs would total approximately \$225.93 and administrative costs would total \$1.50 per child ($\227.43 annual cost X 647 children = $\$147,147.21$). Because the first year of the program would begin on January 1, 2025, six months of total estimated expenditures, or $\$73,573.61$, would be required for FY 2025. For FY 2026, the Department assumes prescription costs would increase approximately 8.5 percent, making the total cost for FY 2026 totaling $\$159,655$ ($\$147,147.21$ X 1.085 = $\$159,655$). The Department notes that over-the-counter dietary supplements are not typically covered by health insurance in Kansas and only participants of the State Employee Health Plan, including local governments participating in the Plan, would be affected.

The Kansas Insurance Department, Department for Children and Families, and Department of Health and Environment all indicate enactment of the bill would have no fiscal effect on the agencies. Any fiscal effect associated with HB 2595 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", followed by a stylized flourish or symbol.

Adam C. Proffitt
Director of the Budget

cc: Amy Penrod, Department of Health & Environment
Bobbi Mariani, Insurance Department
Kim Holter, Department for Children & Families
Tamara Emery, Department of Administration