

February 20, 2026

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 2735 by House Committee on Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2735 is respectfully submitted to your committee.

HB 2735 would create the Patient's Right to Save Act, which would authorize health insurers to create voluntary shared savings incentive programs that reward enrollees for choosing lower-cost healthcare services.

Health insurers could offer programs that provide financial incentives to enrollees who obtain shoppable healthcare services from a designated list. Participation in these programs would be entirely voluntary for enrollees. Health insurers that choose to offer a shared savings incentive program would need to meet several requirements as described in the bill.

The shared savings incentive paid to enrollees would need to be at least 25.0 percent of the savings generated by their participation. The savings calculation would be based upon the average in-network amount paid for a service over the most recent 12-month period or another methodology approved by the Kansas Department of Insurance. The bill would require that the incentive amounts be credited quarterly to enrollees through premium reductions or deposits to flexible spending accounts, health savings accounts, or health reimbursement accounts in a manner that does not create taxable income for the enrollee.

Insurers would be required to submit annual reports to the Department detailing program participation, costs of services provided, total incentive payments made, and an inventory of shoppable services offered. Shared savings incentives would not to be considered administrative

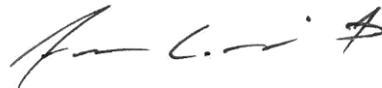
expenses for rate purposes and would be presumed appropriate unless credible data demonstrates otherwise.

The Department of Administration reached out to the two current vendors for information on potential financial impact of this bill. Both responded that they were unable to provide the potential impacts for the program described in the bill. The program outlined in the bill would be very different from what the State Employee Health Plan currently has in place. The bill contains a different list of incentivized services, member incentives for engagement, and would calculate member incentive payments differently, therefore agency is unable to provide the fiscal impacts to the plan.

According to the Kansas Association of School Boards, enactment of HB 2735 could have a long-term fiscal effect on school districts but did not provide an estimate. The Kansas Department of Health and Environment and the Kansas Department of Insurance indicate that enactment of HB 2735 would have no fiscal effect on either agency. Any fiscal effect associated with HB 2735 is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties and the League of Kansas Municipalities indicate that enactment of HB 2735 would have no fiscal effect on counties or cities.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Amy Penrod, Department of Health & Environment
Kyle Strathman, Department of Insurance
Samir Arif, Department of Administration
Bruce Chladny, Kansas Association of Counties
Wendi Stark, League of Kansas Municipalities
Angie Stallbaumer, Kansas Association of School Boards