

February 16, 2011

The Honorable Clark Shultz, Chairperson  
House Committee on Insurance  
Statehouse, Room 166-W  
Topeka, Kansas 66612

Dear Representative Shultz:

SUBJECT: Fiscal Note for HB 2292 by House Committee on Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2292 is respectfully submitted to your committee.

HB 2292 would prohibit health insurance coverage for elective abortions beginning July 1, 2011. An elective abortion is defined as an abortion performed for any reason other than to prevent the death of the mother upon whom the abortion is performed. The bill would allow coverage for elective abortions through an optional rider for which an additional premium is paid. The bill would prohibit providing coverage for elective abortions through health insurance exchanges established within Kansas or any exchange administered by the federal government. In addition, these exchanges could not offer optional riders for this coverage.

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	\$59,000
FTE Pos.	--	--	--	--

The Kansas Health Policy Authority states that the State Employee Health Plan (SEHP) would need to work with its health care consultants to prepare a coverage rider and develop a sufficient contribution rate for the above optional rider. The plan would incur programming cost to modify the membership and payroll system as well as the open enrollment portal to able to track and bill for this optional coverage. The programming cost with the vendors to create an additional rider and premium assessment would be \$59,000 from within the health benefits plan funding. This is a one-time cost to make the modifications. As the SEHP is self funded, any shortfall as a result of underpayment of premiums would have to be paid out of the plan reserves.

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The effect upon private insurance carriers and local governments and their health plans would depend upon what is currently covered and the plans' ability to administer a separate rider with this unique premium structure. Any fiscal effect associated with HB 2292 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", written in a cursive style.

Steven J. Anderson, CPA, MBA  
Director of the Budget

cc: Zac Anshutz, Insurance Department  
Scott Brunner, KHPA