

February 24, 2020

The Honorable Brenda Landwehr, Chairperson
House Committee on Health and Human Services
Statehouse, Room 352C-S
Topeka, Kansas 66612

Dear Representative Landwehr:

SUBJECT: Fiscal Note for HB 2602 by House Committee on Health and Human Services

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2602 is respectfully submitted to your committee.

HB 2602 would create the Newborn Screening Act which would establish an advanced newborn screening program within the Kansas Department of Health and Environment (KDHE). Under current law, newborn screening tests are based on newborn screening conditions recommended by a 2005 report by the American College of Medical Genetics. The bill would allow KDHE to determine the conditions included in newborn screening tests based on conditions recommended by the U.S. Secretary of Health and Human Services. The bill would change references to specific conditions under the current newborn screening program. The bill would remove from statute provisions regarding reimbursement of costs of medically necessary food treatment products and instead make reimbursement subject to rules and regulations adopted by KDHE.

Under current law, the Kansas Newborn Screening Fund is financed by a transfer from the Medical Assistance Fee Fund of up to \$2.5 million. HB 2602 would increase the maximum transfer to \$5.0 million. The bill would become effective upon its publication in the *Kansas Register*.

KDHE indicates the bill would provide for growth and expansion of the Newborn Screening Program. Under the current maximum transfer of \$2.5 million to the Kansas Newborn Screening Fund, the Department allocates approximately \$550,000 to the Newborn Screening Follow-Up and \$1,950,000 to testing performed by KDHE laboratories. KDHE indicates that increasing the transfer to a maximum of \$5.0 million would allow the agency to allocate

\$1,065,000 for Newborn Screening Follow-Up, \$3,450,000 to testing performed by KDHE laboratories and \$485,000 to Newborn Screening Systems of Care. KDHE notes that Newborn Screening Program expenditures have reached the current maximum of available funding three out of the last six fiscal years as shown in the table below.

Newborn Screening Program Expenditures

FY 2014	\$2.2 million
FY 2015	2.5 million
FY 2016	2.3 million
FY 2017	2.1 million
FY 2018	2.5 million
FY 2019	2.5 million

Currently, most of the Medical Assistance Fee Fund is used for KDHE KanCare expenditures under the Human Services Consensus Caseloads process. Increasing the transfer to the Kansas Newborn Screening Fund could require a \$2.5 million increase to the State General Fund appropriation for Caseloads. Any fiscal effect associated with HB 2602 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Dan Thimmesh, Health & Environment