

January 27, 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 282 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 282 is respectfully submitted to your committee.

SB 282 would create the Patient's Right-to-Know Act, which would require a healthcare provider to give a patient or patient's agent, upon request, an estimate of the charge for service, diagnostic test, procedure or course of treatment if the charge exceeds the minimum cost. "Minimum cost" would be defined to mean \$500 or a higher amount adjusted for inflation as specified by the Kansas Department of Health and Environment (KDHE) in rules and regulations. The bill specifies the criteria that must be included for estimates for inpatient surgical procedures and treatments; outpatient surgical procedures and treatments; nonsurgical hospital procedures and treatments; and physical therapy, speech therapy, occupational therapy, chiropractic treatment or mental therapy. Healthcare providers could also provide a single fixed-price estimate of the total cost.

The bill would require insurers to provide the following information upon request by an insured or insured's agent:

1. A description of the coverage under the insured's health benefit plan;
2. A description of pre-certification or other requirements the insured must complete before care is approved; and
3. A summary of the insured's coverage based on the information related to an estimate of a charge for service, diagnostic test, procedure or course of treatment. The bill specifies the criteria that must be included in the summary of coverage.

The bill would become effective on July 1, 2022.

The Board of Healing Arts indicates it could receive additional complaints if a healthcare provider does not provide estimates or provides inaccurate estimates. The Board estimates that any increase in complaints or investigations would require additional expenditures of \$39,200 from the Healing Arts Fee Fund and a 0.50 special investigator FTE position for FY 2022. The expenditures would include \$31,000 for salaries and wages; \$7,000 in one-time costs for office equipment and set up; and \$1,200 for ongoing voice and data communications costs.

The Board of Examiners in Optometry indicates it is unlikely the bill would have a fiscal effect on Board operations. If it does, the Board estimates it could absorb any increase in expenditures within existing resources.

The Kansas Insurance Department indicates the bill would have no fiscal effect on Department operations. KDHE states SB 282 could have a fiscal effect on the agency, but it is unable to estimate what the effect would be. Any updates to rules or regulations would be done by existing KDHE staff. Any fiscal effect associated with SB 282 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 a long, sweeping underline.

Larry L. Campbell
Director of the Budget

cc: Bobbi Mariani, Insurance
Dan Thimmesch, Health & Environment
Susan Gile, Board of Healing Arts
Jan Murray, Optometry