



Testimony on House Bill 2343
presented to
House Health and Human Services Committee

by

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The Kansas Department of Health and Environment (KDHE) appreciates this opportunity to provide testimony in support of House Bill 2343 related to establishment of a dedicated fee fund for the Kansas Health and Environmental Laboratories (KHEL), providing KHEL with the authority to set fees for health specimen testing, and allowing KHEL to retain the collected fees from the drinking water systems, health specimens and Environmental Laboratory Improvement Program (ELIP) to stabilize funding for KHEL.

The KHEL performs both environmental and health analytical testing for several different customers in the state. The customers for the environment section include municipalities submitting public drinking water samples, KDHE environmental programs, and radiation testing for Wolf Creek. The customers submitting public health specimens include county health departments, universities, other state agencies and hospitals. KHEL has 3 certification programs for health laboratories, environmental laboratories and breath alcohol testing equipment for law enforcement. KHEL also has the Preparedness Unit for response to biological or chemical incidents.

Last year KHEL processed 55,000 environmental samples. KHEL provides analytical testing for volatile organic compounds, geochemicals, heavy metals, environmental microbiology samples, radiation samples and pesticides/herbicides. KHEL also processed 130,000 health specimens. KHEL provides screening and diagnostic analytical testing for sexually transmitted diseases (HIV, syphilis, Chlamydia, gonorrhea), highly contagious diseases like tuberculosis, rubella, pertussis, measles, mumps and influenza, and health screening programs for newborns and blood lead.

In this bill, KDHE is proposing to revise KSA 75-5608 to establish a dedicated laboratory fee fund that will provide KHEL a place to deposit money collected for environmental and health analytical services. Currently, KHEL collects fees from its drinking water customers (municipalities and regional drinking water systems) and deposits those fees to the State General Fund. KDHE proposes to retain these fees to help stabilize funding for KHEL and make the laboratory less dependent on State General Funds. In turn, KDHE will reduce the amount of State General Funds requested in subsequent budget cycles. Since these

fees are already being collected by KHEL, there will be no fiscal impact for this change for the environmental customer or KHEL for additional staff.

State General Funds provide most of the funding for the environmental section at KHEL. In fiscal year 2011 and 2012, \$671,723 and \$729,526, respectively, were collected by KHEL from the drinking water customers and deposited to the State General Fund. By allowing KHEL to retain these funds, KHEL will be able to reduce its future State General Fund budget and become more self-supported.

In this Bill, KDHE is requesting authority to set fees for some of the health testing completed at KHEL. Currently, KHEL does not have the statutory authority to charge fees for health testing. The proposed revision will provide KDHE the authority to write regulations and set fees for health testing. KDHE is proposing the fees collected for health testing to be deposited to the new laboratory fee fund. The new fees for health testing work will be used for laboratory operations and will reduce future State General Fund needs.

KDHE does not anticipate charging fees to public health organizations or other state agencies for health testing but is considering charging private clinics, doctor offices, and hospitals. Currently these entities are sending samples to KHEL and receiving test results for no cost. KDHE does not consider this a prudent use of State General Funds. If KDHE obtains authority to charge for health testing, KDHE anticipates the number of health specimens received from private entities may significantly reduce.

KSA 65-1,109a provides KDHE authorization for the Environmental Laboratory Improvement Program. The ELIP is responsible for certifying environmental laboratories at private and public facilities and verifying these laboratories are providing quality analytical results using appropriate standards, methods and equipment. The program certifies about 420 environmental laboratories. The statute provides authority to KDHE to charge fees for implementing the program. KAR 28-15-37 establishes the fee rates and the fees are paid prior to laboratory certification. The fees collected for this program are deposited to the State General Fund. KDHE is requesting the fees be retained by the program and deposited to the new dedicated laboratory fee fund.

State General Funds provide all the funding for the ELIP. In fiscal years 2011 and 2012, \$260,839 and \$272,475, respectively, were collected for ELIP and deposited to the State General Fund. By allowing KHEL to retain these funds, KHEL will reduce its future State General Fund budget and the Environmental Laboratory Improvement Program would be self-sustaining. Since these fees are already being collected by KHEL, there will be no fiscal impact for this change to the environmental laboratories or KHEL for additional staff.

Finally, KDHE is requesting repealing KSA 75-5607 and moving the language that creates the Office of Laboratory Services to KSA 75-5608.

Thank you for allowing me to explain the benefits of this bill for KDHE. I would be happy to answer any questions by the committee.