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MEMORANDUM

To: House Committee on Appropriations
From: Scott Abbott, Assistant Revisor of Statutes
Date: April 5, 2017
Re: House Bill No. 2418

HB 2418 would make appropriations and authorize the Department of Administration to contract for the establishment of an on-site state employee health clinic.

Sections 1 and 2 of the bill would appropriate the sum of \$2,700,000 to the Department of Administration in fiscal year 2018 for establishing the clinic, not more than \$500,000 of which could be used for construction or renovation of premises to house the clinic.

Section 3 of the bill would direct the Department of Administration to procure the services of a vendor to establish the clinic and would establish several requirements for the procurement process and the operation of the clinic. Any contract to establish and operate the clinic would be subject to competitive bid requirements currently found in state law and would require the vendor to, at a minimum:

- (1) Employ a physician to oversee the clinic;
- (2) provide clinic services to state employees free of charge or, for state employees who elect a high-deductible health plan and health savings account under the state health care benefits program, for the minimum charge permissible by federal law;
- (3) establish and maintain an online, secure patient portal;
- (4) offer, at a minimum, general primary healthcare services, limited supply and dispensing of medications, laboratory services, behavioral health services and chiropractic services;
- (5) offer clinic services that align with the state of Kansas health and wellness program;
- (6) provide data security for all clinic and patient data and not contract with a third party to provide data security;
- (7) provide an electronic medical record system;
- (8) prepare a report detailing cost avoidance and return on investment over a period of five years, to be submitted to the secretary of administrations, House Appropriations and Senate Ways and Means; and

- (9) provide performance guarantees, including patient experience, compliance and reporting and clinical outcomes.

The bill would allow the Department of Health and Environment and the Kansas State Employees Health Care Commission to adopt rules and regulations to provide financial or clinic incentives to state employees who participate in the state of Kansas health and wellness program.

The bill would require the Department of Administration to advise and consult with the Kansas State Employees Health Care Commission regarding the establishment of the clinic, with the Joint Committee on State Building Construction regarding the selection of a location to house the clinic, and with the Department of Health and Environment regarding the operation of the clinic.

If enacted, the bill would take effect upon publication in the statute book, July 1, 2017.