

May 22, 2019

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

Dear Representative Landwehr:

SUBJECT: Fiscal Note for HB 2402 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2402 is respectfully submitted to your committee.

HB 2402 would allow a business entity issued a certificate of authorization by the Board of Healing Arts to employ or contract with one or more licensees of the Board, for the purpose of providing professional services for which such licensees hold a valid license issued by the Board. The bill would state that nothing in the Kansas Healing Arts Act would prohibit a licensee from being employed by or under contract to provide professional services for a business entity granted a certificate of authorization. Hospitals, ambulatory surgical centers, or recuperation centers would be exempt. The bill would not allow a corporation to practice optometry or dentistry, except as otherwise provided in Kansas law. The provisions of the bill would be part of and supplemental to the Kansas Healing Arts Act.

The bill would allow a business entity to apply to the Board for a certificate of authorization, on a form and in a manner prescribed by the Board. A business entity would be required to remit an application fee set by the Board through rules and regulations, not to exceed \$500. The bill would require a certificate of authorization to be renewed biennially and be accompanied by a fee fixed by the Board.

No business entity issued a certificate of authorization would be relieved of responsibility for the conduct or acts of its agents or employees by reason of its compliance with the provisions of the bill, nor would any individual licensed to practice the healing arts be relieved of responsibility and liability for services performed by reason of employment or relationship with such business entity. Under certain conditions, the bill would allow a business entity's certificate of authorization to be revoked, suspended, or limited; publicly censured or placed under probationary conditions; or an application for certificate or reinstatement of a certificate denied.

The fiscal effect on the Board of Healing Arts expenditures and revenue cannot be estimated because the number of business entities that might seek to employ primary care physicians is unknown. It is likely that the Board would need to add staff to administer the provisions. Allowing businesses to employ physicians represents a major policy change for medical practice in Kansas.

It is assumed that any increases to expenditures would be offset by the collection of certification and renewal fees. Any fiscal effect associated with HB 2402 is not reflected in *The FY 2020 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: Beth Visocsky, Board of Healing Arts