

March 14, 2022

The Honorable Richard Hilderbrand, Chairperson
Senate Committee on Public Health and Welfare
Statehouse, Room 142-S
Topeka, Kansas 66612

Dear Senator Hilderbrand:

SUBJECT: Fiscal Note for SB 471 by Senator Sykes

In accordance with KSA 75-3715a, the following fiscal note concerning SB 471 is respectfully submitted to your committee.

SB 471 would require every individual or group health insurance policy, medical service plan, contract, hospital service corporation contract, hospital and medical service corporation contract, fraternal benefit society, or health maintenance organization that provides coverage for accident and health services, that is delivered, issued for delivery, amended, or renewed on or after January 1, 2023, and that provides benefits with respect to screening and diagnostic examinations for breast cancer to ensure that the cost-sharing requirements applicable to diagnostic breast examinations and supplemental breast screening examinations for an individual enrolled under such coverage are not less favorable to the insured than the requirements applicable to a screening mammography examination for breast cancer.

The bill would extend postpartum Medicaid coverage to 12 months following the end of pregnancy for adults with a household income less than or equal to 250.0 percent of the federal poverty guidelines beginning January 1, 2023. The Secretary of Health and Environment would be required to submit any approval request necessary to the Centers for Medicare and Medicaid Services and the U.S. Department of Treasury to implement the extension and would also be required to submit such approval request application to the State Finance Council.

In addition, the bill would change the current household income eligibility requirement for the Kansas Children's Health Insurance Program (CHIP) from 250.0 percent of the 2008 federal poverty level to 250.0 percent of the current federal poverty income guidelines.

The Kansas Department of Health and Environment (KDHE) and the Kansas Department for Aging and Disability Services estimate that enactment of SB 471 would result in additional expenditures of \$33.1 million, including \$13.0 million from the State General Fund in FY 2023. The cost to expand postpartum Medicaid coverage would range between \$22.0 million to \$41.4

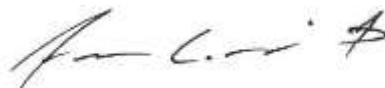
million. The agencies estimate additional expenditures in the midrange to be \$31.7 million, including \$12.6 million from the State General Fund, in both FY 2023 and FY 2024. Current services are provided for women up to 171.0 percent of the federal poverty guidelines for two months postpartum. The agencies note the estimate would be dependent on several factors including the total number of women that would become newly eligible and how the new population would affect the capitation rates paid to the KanCare managed care organizations.

KDHE estimates that the changes to CHIP eligibility in SB 471 would result in an additional 554 children becoming eligible for CHIP in FY 2023 and 568 in FY 2024. The agency estimates this would increase expenditures by approximately \$1.4 million, including \$393,764 from the State General Fund, in FY 2023 and \$1.4 million, including \$403,608 from the State General Fund, in FY 2024. There would be additional revenue generated by the current \$50 per month premium for this population estimated to total \$332,400 in FY 2023 and \$340,710 in FY 2024.

The Department of Administration estimates enactment of SB 471 would increase costs to the State Employee Health Plan by \$129,670 from special revenue funds in FY 2023. The estimate assumes a first-year cost increase of \$259,339; however, because the bill's provisions would not go into effect until January 1, 2023, only half the annual cost would apply to FY 2023. The Department of Corrections reports enactment of the bill would not have a fiscal effect on agency operations. The Kansas Insurance Department also notes the bill would constitute a new mandate for purposes of state cost defrayal under the Affordable Care Act but could not estimate the total fiscal effect. Any fiscal effect associated with SB 471 is not reflected in *The FY 2023 Governor's Budget Report*.

Both the Kansas Association of Counties and the League of Kansas Municipalities state enactment of the bill could have a fiscal effect on local governments which would depend on potential changes to insurance rates.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Dan Thimmesch, Health & Environment
Leigh Keck, Aging & Disability Services
Celeste Chaney-Tucker, Department of Administration
Bobbi Mariani, Insurance
Randy Bowman, Corrections
Jay Hall, Association of Counties
Wendi Stark, League of Municipalities