

House Budget Committee Report

Agency: Health Care Stabilization Fund Board of Governors **Bill No.** HB 2370 **Bill Sec.** 43

Analyst: Fye

Analysis Pg. No. 1127

Budget Page No. 62

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	37,325,545	37,311,345	0
Subtotal	\$ 37,325,545	\$ 37,311,345	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 37,325,545	 \$ 37,311,345	 \$ 0
 FTE positions	 19.5	 19.5	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	19.5	19.5	0.0

Agency Request

The **agency** requests expenditures of \$37.3 million, all from special revenue funds, for FY 2017. This is an increase of \$4.4 million, or 13.3 percent, above the FY 2016 request. The increase is primarily attributable to an agency estimated increase in claims due to the addition of five additional health care providers, and an agency estimated 1.9 percent increase in the frequency of claims. The increase is also attributable to the second half of a contract for an actuarial review, and payment of the 27th payroll period. The revised request includes 19.5 FTE positions, which is the same number as the FY 2016 request.

Governor's Recommendation

The **Governor** recommends expenditures of \$37.3 million, all from special revenue funds, for FY 2017. This is a decrease of \$14,200, or less than 0.1 percent, below the amount requested by the agency. The decrease is attributable to a decrease in the employer contributions to state employee health insurance.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2017.

House Committee Recommendation

The **Committee** concurs with the Budget Committee's recommendation for FY 2017 with the following adjustment:

1. Add \$40,980, all from the Health Care Stabilization Fund, and 0.5 FTE position for FY 2017, to implement the provisions of HB 2064, which allows health care systems to aggregate insurance premiums for the purpose of obtaining a certificate of self-insurance.

Senate Subcommittee Report

Agency: Health Care Stabilization Fund Board of Governors **Bill No.** SB 237 **Bill Sec.** 43

Analyst: Fye

Analysis Pg. No. 1127

Budget Page No. 62

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	37,325,545	37,311,345	0
Subtotal	\$ 37,325,545	\$ 37,311,345	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 37,325,545	 \$ 37,311,345	 \$ 0
 FTE positions	 19.5	 19.5	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	19.5	19.5	0.0

Agency Request

The **agency** requests expenditures of \$37.3 million, all from special revenue funds, for FY 2017. This is an increase of \$4.4 million, or 13.3 percent, above the FY 2016 request. The increase is primarily attributable to an agency estimated increase in claims due to the addition of five additional health care providers, and an agency estimated 1.9 percent increase in the frequency of claims. The increase is also attributable to the second half of a contract for an actuarial review, and payment of the 27th payroll period. The revised request includes 19.5 FTE positions, which is the same number as the FY 2016 request.

Governor's Recommendation

The **Governor** recommends expenditures of \$37.3 million, all from special revenue funds, for FY 2017. This is a decrease of \$14,200, or less than 0.1 percent, below the amount requested by the agency. The decrease is attributable to a decrease in the employer contributions to state employee health insurance.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation for FY 2017.

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee's recommendation for FY 2017 with the following adjustment:

1. Add \$40,980, all from the Health Care Stabilization Fund, and 0.5 FTE position for FY 2017, to implement the provisions of HB 2064, which allows health care systems to aggregate insurance premiums for the purpose of obtaining a certificate of self-insurance.

Senate Committee of the Whole Recommendation

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2017.

Conference Committee Recommendation (House Sub. for SB 112)

The **Conference Committee** concurs with the Governor's recommendation for FY 2017 with the following adjustments:

1. Add \$40,980, all from the Health Care Stabilization Fund, and 0.5 FTE position for FY 2017, to implement the provisions of HB 2064, which allows health care systems to aggregate insurance premiums for the purpose of obtaining a certificate of self-insurance.
2. Delete \$28,596, all from the Health Care Stabilization Fund, to reduce the Kansas Public Employees Retirement System employer contribution rate from 13.57 percent to 10.81 percent for FY 2017. This implements the provisions of SB 228.
3. Delete \$3,314, all from the Health Care Stabilization Fund, to suspend employer contributions to the Kansas Public Employees Retirement System Group Insurance Fund, or Death and Disability Fund, for the final seven pay periods for FY 2017.
4. Add language to prohibit expenditures on newspapers and magazines, including electronic subscriptions, for FY 2017.

	Governor's Recommendation FY 2017	Legislative Action	Legislative Approved FY 2017	Governor's Vetoed FY 2017	Final Legislative Approved FY 2017
All Funds					
State Operations	\$ 7,709,405	\$ 9,070	\$ 7,718,475	\$ 0	\$ 7,718,475
Aid to Local Units	0	0	0	0	0
Other Assistance	29,601,940	0	29,601,940	0	29,601,940
Subtotal- Operations	\$ 37,311,345	\$ 9,070	\$ 37,320,415	\$ 0	\$ 37,320,415
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 37,311,345</u>	<u>\$ 9,070</u>	<u>\$ 37,320,415</u>	<u>\$ 0</u>	<u>\$ 37,320,415</u>
State General Fund					
State Operations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
Subtotal-Operating	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
FTE Positions	19.5	0.5	20.0	0.0	20.0
Non-FTE Unclass. Perm. Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>19.5</u>	<u>0.5</u>	<u>20.0</u>	<u>0.0</u>	<u>20.0</u>