

February 27, 2019

The Honorable Fred Patton, Chairperson
House Committee on Judiciary
Statehouse, Room 519-N
Topeka, Kansas 66612

Dear Representative Patton:

SUBJECT: Fiscal Note for HB 2348 by House Committee on Judiciary

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2348 is respectfully submitted to your committee.

HB 2348 would increase the liability limits for the Health Care Stabilization Fund. Currently health care providers have three options for the liability limits on coverage they purchase. The bill would require that beginning on July 1, 2019 there would only be one option.

Current law allows health care providers purchasing malpractice coverage from the Health Care Stabilization Fund to choose between three options or levels of coverage. HB 2348 would allow only one level of coverage which is 18 times the lowest current option and 2.25 times the highest current option. The agency indicates that the fund would collect more revenue from the higher surcharges and expenditures would increase if the change resulted in larger judgements and settlements. The costs for attorney services are also likely to increase. The increases in revenue and expenditures cannot be estimated without an actuarial study. Any fiscal effect associated with HB 2348 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Clark Shultz, Health Care Stabilization Fund