

March 9, 2020

The Honorable Gene Suellentrop, Chairperson
Senate Committee on Public Health and Welfare
Statehouse, Room 441B-E
Topeka, Kansas 66612

Dear Senator Suellentrop:

SUBJECT: Fiscal Note for SB 439 by Senate Committee on Public Health and Welfare

In accordance with KSA 75-3715a, the following fiscal note concerning SB 439 is respectfully submitted to your committee.

Under current law, the Kansas Department of Health and Environment (KDHE) is required to reimburse a medical care facility for prescribed medically necessary donor human breast milk provided to infants who are recipients of medical assistance. SB 439 would add human milk fortifier derived from human breast milk. The bill would also require KDHE to license and regulate the operation of milk banks that collect, sell, distribute or donate human breast milk or human breast milk-derived products. The bill would prohibit human breast milk or human breast milk-derived products to be sold, distributed, processed or donated unless the milk or milk-derived products have been tested for adulterants and drugs.

Estimated State Fiscal Effect				
	FY 2020 SGF	FY 2020 All Funds	FY 2021 SGF	FY 2021 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$314,200	\$314,200
FTE Pos.	--	--	--	3.00

The Kansas Department of Health and Environment estimates the bill would require additional expenditures of \$314,200 from the State General Fund in FY 2021. The amount includes \$85,920 and 1.00 new FTE position to write and process rules and regulations (salary and wage expenditures of \$84,000 plus associated operating expenses of \$1,920) and \$89,280 and 1.00 new FTE position to license and survey milk banks (salary and wage expenditures of \$87,360 plus

The Honorable Gene Suellentrop, Chairperson
Page 2—SB 439

associated operating expenses of \$1,920). The amount also includes \$139,000 for KDHE laboratories under the assumption it would be required to conduct testing of human breast milk or human breast milk-derived products. Expenditures for KDHE laboratories would include \$64,000 for the salary and wage expenditures of 1.00 new FTE position plus \$75,000 for testing supplies. KDHE indicates the fiscal effect for the state's Medicaid program would be negligible or budget neutral. Any fiscal effect associated with SB 439 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink that reads "L. L. Campbell". The signature is fluid and cursive, with the first and last names being clearly legible.

Larry L. Campbell
Director of the Budget

cc: Dan Thimmesch, Health & Environment