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From: Kathleen Selzler Lipper, Executive Director

Kansas State Board of Healing Arts

Date: February 7, 2012

**Subject:** HB 2726 Opposition testimony

The Kansas Board of Healing Arts (KSBHA) appreciates the opportunity to provide opposition testimony on HB 2726. The KSBHA presently licenses and regulates 13 health care professions. The mission of the KSBHA is to safeguard the public and strengthen the healing arts.

KSBHA has two (2) concerns related to HB 2726.

- Result in detrimental reliance by state agency on existing statutes
- Minimal positive increase in state agency efficiency

## Detrimental reliance by state agency on existing statutes:

KSA 75-30,100 was originally enacted in 2000. The legislative intent behind this statute was to create incentives for state agencies, county treasurers and the like to become more efficient and effective by implementing on-line renewal or payment systems and accepting credit cards or other forms of electronic payment. This statute allowed government entities to pass on actual costs so they could offer this service and not incur additional costs.

As enacted, this statute does not contain any sunset provision. KSBHA is required to submit an agency budget on a bi-annual basis. The language in HB 2726 states it would take effect upon publication in the statute book. Therefore, KSBHA revenue projections previously submitted to the legislature would be reduced by approximately \$150,000 for budgets already approved.

KSBHA was not asked to provide an Economic Impact Statement (EIS) for HB 2726 and it is unclear if any other state agency or county treasurer provided an EIS.

## Minimal positive increase in state agency efficiency:

KSBHA implemented on-line renewal to provide a valuable service and convenience to our customers. Further, KSBHA recognized that on-line renewal would increase our efficiency and effectiveness by reducing in paper processing. KSA 75-30,100 allowed KSBHA to implement the additional service and convenience while increasing our efficiency and effectiveness without a substantial adverse fiscal impact.

KSBHA recognized the benefits and took steps to reduce fiscal impact on our customers. Specifically, paper renewal fees for an MD license are \$330 and on-line renewal fees for an MD license are \$320. KSHBA structured reduced on-line renewal fees for licensees based the provisions in KSA 75 – 30,100. Licensees who renewed on-line did not incur a significant increase for the improved service and convenience. KSBHA absorbed the reduced revenues in anticipation of the increased efficiency and effectiveness in the reduced paper processing.

In 2007, the percentage of all professions renewing on-line was 61%; this increased to 84% in 2010. KSBHA would like to see an increase in the percentage of all professions renewing online; however, there may be other barriers such as internet connectivity issues for licensees in remote areas rather than credit card processing fees.

KSBHA anticipates that absorbing the additional costs associated with HB 2726 would result in approximately a \$150,000 reduction in revenues.

We are available to respond to any questions. Thank you for your consideration.