

*Kansas Board of Healing Arts
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**Kansas Administrative Regulations
Economic Impact Statement
For the Kansas Division of the Budget**

K.A.R. 100-78-1, K.A.R. 100-78-2 (Corporate Practice of Medicine Certificates) (permanent)

I. Brief description of the proposed rule(s) and regulation(s).

The purpose of these regulation amendments is to implement the certification process described in K.S.A. 65-28,134.

II. Statement by the agency if the rule(s) and regulation(s) is mandated by the federal government and a statement if approach chosen to address the policy issue is different from that utilized by agencies of contiguous states or the federal government. (If the approach is different, then include a statement of why the Kansas rule and regulation proposed is different)

Not mandated by the federal government.

III. Agency analysis specifically addressing following:

A. The extent to which the rule(s) and regulation(s) will enhance or restrict business activities and growth;

A qualified economist would be required to provide an expert opinion of the extent the regulations would impact economic growth. In the lay opinion of agency staff, the regulations enhance business activities because the regulations implement a certification process that creates an additional mode of healthcare delivery.

B. The economic effect, including a detailed quantification of implementation and compliance costs, on the specific businesses, sectors, public utility ratepayers, individuals, and local governments that would be affected by the proposed rule and regulation and on the state economy as a whole;

The agency does not employ an economist. In the lay opinion of the agency staff there will be positive economic effect on affected businesses because the regulations effectuate the legislature's intent to expand the opportunities for employers to directly employ physicians to provide care to their employees and employees' family members insurers to directly employ physicians to provide care to their insured patients.

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Businesses that would be directly affected by the proposed rule and regulation;

See K.S.A. 65-28,134(f)(1)(A). The legislature has made this certificate available to: (1) Employers located in Kansas that offer medical care solely for their employees and the dependents of such employees at the employer's work site; (2) businesses licensed to sell accident and sickness insurance in the state that is also a mutual or non-profit health carrier that provide medical services solely for the organization's enrollees and dependents of such enrollees; and (3) information technology companies that design, utilize and provide electronic medical records for businesses and worksite medical clinics for employers located in Kansas and offer medicine and surgery or chiropractic services solely to its employees and the dependents of such employees at the employer's work sites in Kansas.

D. Benefits of the proposed rule(s) and regulation(s) compared to the costs;

The regulations effectuate the legislature's intent to expand the opportunities for employers to directly employ physician to provide care to their employees and employees' family members insurers to directly employ physician to provide care to their insured patients. Outside of those costs already incorporated in the legislation itself (fee for certificate), costs include routine state resource costs associated with promulgating these regulations.

E. Measures taken by the agency to minimize the cost and impact of the proposed rule(s) and regulation(s) on business and economic development within the State of Kansas, local government, and individuals;

There are no expected cost associated with the regulations other than the costs associated with promulgating these regulations and those costs already incorporated in the legislation itself (fee for certificate).

F. An estimate, expressed as a total dollar figure, of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to business, local governments, or members of the public.

There are no expected independent costs caused by implementation of the regulations apart from the routine agency and state staff resource costs associated with promulgating these regulations. Costs associated with implementing the statute itself include the fee for the certificate, agency resource costs associated with processing and evaluating applications for certifications, and investigating and prosecuting any alleged violations of the statute. This estimate is based on lay opinion and rationale as described above.

An estimate, expressed as a total dollar figure, of the total implementation and compliance costs that are reasonably expected to be incurred by or passed along to business, local governments, or members of the public.

There are no expected independent costs caused by implementation of the regulations apart from the routine agency and state staff resource costs associated with promulgating these regulations. Costs associated with implementing the statute itself include the fee for the certificate, agency resource costs associated with processing and evaluating applications for certifications, and investigating and prosecuting any alleged violations of the statute. This estimate is based on lay opinion and rationale as described above.

Do the above total implementation and compliance costs exceed \$3.0 million over any two-year period?

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YES NO

Give a detailed statement of the data and methodology used in estimating the above cost estimate.

Lay rationale as described herein. The agency does not employ an economist.

Prior to the submission or resubmission of the proposed rule(s) and regulation(s), did the agency hold a public hearing if the total implementation and compliance costs exceed \$3.0 million over any two-year period to find that the estimated costs have been accurately determined and are necessary for achieving legislative intent? If applicable, document when the public hearing was held, those in attendance, and any pertinent information from the hearing.

YES NO

- G. If the proposed rule(s) and regulation(s) increases or decreases revenues of cities, counties or school districts, or imposes functions or responsibilities on cities, counties or school districts that will increase expenditures or fiscal liability, describe how the state agency consulted with the League of Kansas Municipalities, Kansas Association of Counties, and/or the Kansas Association of School Boards.**

The agency does not believe the regulations will meaningfully impact the revenue of cities or school districts, except to the extent that additional business activity is attracted to the state due to the provisions of the statute.

- H. Describe how the agency consulted and solicited information from businesses, associations, local governments, state agencies, or institutions and members of the public that may be affected by the proposed rule(s) and regulation(s).**

These regulations were developed during publicly noticed open meetings of the Board, and the Board is following all notice and open meeting hearing requirements associated with promulgating these regulations, which will entail at least 3 more open meetings related to these regulations. Further representatives of major business interests that were involved in the creation of the statute were consulted and notified in advance of the Board's open meeting regarding this proposed regulation.

- I. For environmental rule(s) and regulation(s) describe the costs that would likely accrue if the proposed rule(s) and regulation(s) are not adopted, as well as the persons who would bear the costs and would be affected by the failure to adopt the rule(s) and regulation(s).**

This is not an environmental regulation.

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