

Session of 2023

HOUSE BILL No. 2094

By Committee on Insurance

1-19

1 AN ACT concerning insurance; relating to health maintenance
2 organizations and medicare provider organizations; applications for
3 certificates of authority; specifying certain requirements necessary to
4 demonstrate fiscal soundness; amending K.S.A. 40-3203 and repealing
5 the existing section.
6

7 *Be it enacted by the Legislature of the State of Kansas:*

8 Section 1. K.S.A. 40-3203 is hereby amended to read as follows: 40-
9 3203. (a) Except as otherwise provided by this act, it shall be unlawful for
10 any person to provide ~~health care~~ *healthcare* services in the manner
11 prescribed in ~~subsection (n) or subsection (r)~~ of K.S.A. 40-3202(n) or (r),
12 and amendments thereto, without first obtaining a certificate of authority
13 from the commissioner.

14 (b) Applications for a certificate of authority shall be made in the
15 form required by the commissioner and shall be verified by an officer or
16 authorized representative of the applicant and shall set forth or be
17 accompanied by:

18 (1) A copy of the basic organizational documents of the applicant
19 such as articles of incorporation, partnership agreements, trust agreements
20 or other applicable documents;

21 (2) a copy of the bylaws, regulations or similar document, if any,
22 regulating the conduct of the internal affairs of the applicant;

23 (3) a list of the names, addresses, official capacity with the
24 organization and biographical information for all of the persons who are to
25 be responsible for the conduct of its affairs, including all members of the
26 governing body, the officers and directors in the case of a corporation and
27 the partners or members in the case of a partnership or corporation;

28 (4) a sample or representative copy of any contract or agreement
29 made or to be made between the health maintenance organization or
30 medicare provider organization and any class of providers and a copy of
31 any contract made or agreement made or to be made, excluding individual
32 employment contracts or agreements, between third party administrators,
33 marketing consultants or persons listed in ~~subsection~~ *paragraph* (3) and
34 the health maintenance organization or medicare provider organization;

35 (5) a statement generally describing the organization, its enrollment
36 process, its operation, its quality assurance mechanism, its internal

- 1 (C) resolving complaints and grievances initiated by enrollees;
- 2 (9) a written irrevocable consent duly executed by such applicant, if
- 3 the applicant is a nonresident, appointing the commissioner as the person
- 4 upon whom lawful process in any legal action against such organization on
- 5 any cause of action arising in this state may be served and that such
- 6 service of process shall be valid and binding in the same extent as if
- 7 personal service had been had and obtained upon said nonresident in this
- 8 state;
- 9 (10) a plan, in the case of group or staff practices, that will provide
- 10 for maintaining a medical records system ~~which~~ *that* is adequate to provide
- 11 an accurate documentation of utilization by every enrollee, such system to
- 12 identify clearly, at a minimum, each patient by name, age and sex and to
- 13 indicate clearly the services provided, when, where, and by whom, the
- 14 diagnosis, treatment and drug therapy, and in all other cases, evidence that
- 15 contracts with providers require that similar medical records systems be in
- 16 place;
- 17 (11) evidence of adequate insurance coverage or an adequate plan for
- 18 self-insurance to respond to claims for injuries arising out of the furnishing
- 19 of ~~health care~~ *healthcare*;
- 20 (12) such other information as may be required by the commissioner
- 21 to make the determinations required by K.S.A. 40-3204, and amendments
- 22 thereto; and
- 23 (13) in lieu of any of the application requirements imposed by this
- 24 section on a medicare provider organization, the commissioner may accept
- 25 any report or application filed by the medicare provider organization with
- 26 the appropriate examining agency or official of another state or agency of
- 27 the federal government.
- 28 (c) The commissioner may promulgate rules and regulations the
- 29 commissioner deems necessary to the proper administration of this act to
- 30 require a health maintenance organization or medicare provider
- 31 organization, subsequent to receiving its certificate of authority to submit
- 32 the information, modifications or amendments to the items described in
- 33 subsection (b) to the commissioner prior to the effectuation of the
- 34 modification or amendment or to require the health maintenance
- 35 organization to indicate the modifications to the commissioner. Any
- 36 modification or amendment for which the approval of the commissioner is
- 37 required shall be deemed approved unless disapproved within 30 days,
- 38 except the commissioner may postpone the action for such further time,
- 39 not exceeding an additional 30 days, as necessary for proper consideration.
- 40

41 Sec. 2. K.S.A. 40-3203 is hereby repealed.

42 Sec. 3. This act shall take effect and be in force from and after its

43 publication in the ~~statute book~~

Kansas register