

SENATE BILL No. 542

By Committee on Financial Institutions and Insurance

2-7

AN ACT concerning insurance; relating to utilization review committees; amending K.S.A. 40-22a04 and repealing the existing section.

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

Section 1. K.S.A. 40-22a04 is hereby amended to read as follows: 40-22a04. (a) The commissioner shall adopt rules and regulations, with the advice of the advisory committee created by K.S.A. 40-22a05, establishing standards governing the conduct of utilization review activities performed in this state or affecting residents of this state by utilization review organizations. Unless granted an exemption under K.S.A. 40-22a06, no utilization review organization may conduct utilization review services in this state or affecting residents of this state on or after May 1, 1995, without first obtaining a certificate from the commissioner.

(b) The commissioner shall not issue a certificate to a utilization review organization until the applicant:

(1) Files a formal application for certification in such form and detail as required by the commissioner and such application has been executed under oath by the chief executive officer of the applicant;

(2) files with the commissioner a certified copy of its charter or articles of incorporation and bylaws, if any;

(3) states the location of the office or offices of the utilization review organization where utilization review affecting residents or health care providers of this state will be principally performed;

(4) provides a summary of the qualifications and experience of persons performing utilization review affecting the persons and at the locations identified pursuant to paragraph (3);

(5) makes payment of a certification fee of \$100 to the commission; and

(6) provides such other information or documentation as the commissioner requires.

(c) (1) Certificates issued by the commissioner pursuant to this act shall remain effective until suspended, surrendered or revoked subject to payment of an annual continuation fee of \$50.

(2) *No certificate shall be issued to a utilization review organization unless the review is conducted by health care providers who:*

1 (A) *Are licensed by the state of Kansas in the practice under review;*
2 (B) *are actively engaged in the practice of such licensed profession;*
3 *and*
4 (C) *do not derive a majority of such health care providers' income*
5 *from peer review and witness fees.*

6 (d) The commissioner with the advice of the advisory committee may
7 suspend or revoke the certificate or any exemption from certification
8 requirements upon determination that the interests of Kansas insureds
9 are not being properly served under such certificate or exemption. Any
10 such action shall be taken only after a hearing conducted in accordance
11 with the provisions of the Kansas administrative procedure act.

12 Sec. 2. K.S.A. 40-22a04 is hereby repealed.

13 Sec. 3. This act shall take effect and be in force from and after its
14 publication in the statute book.

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