

HOUSE Substitute for SENATE BILL No. 577

AN ACT concerning the Kansas health policy authority; relating to administration of the health care database; designation of statistical agent for insurer experience data plans; amending K.S.A. 2005 Supp. 40-2251 and repealing the existing section.

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

Section 1. K.S.A. 2005 Supp. 40-2251 is hereby amended to read as follows: 40-2251. (a) The commissioner of insurance shall develop or approve statistical plans which shall be used by each insurer in the recording and reporting of its premium, accident and sickness insurance loss and expense experience, in order that the experience of all insurers may be made available at least annually in such form and detail as may be necessary to aid the commissioner and other interested parties in determining whether rates and rating systems utilized by insurance companies, mutual nonprofit hospital and medical service corporations, health maintenance organizations and other entities designated by the commissioner produce premiums and subscriber charges for accident and sickness insurance coverage on Kansas residents, employers and employees that are reasonable in relation to the benefits provided and to identify any accident and sickness insurance benefits or provisions that may be unduly influencing the cost. Such plans may also provide for the recording and reporting of expense experience items which are specifically applicable to the state. In promulgating such plans, the commissioner shall give due consideration to the rating systems, classification criteria and insurance and subscriber plans on file with the commissioner and, in order that such plans may be as uniform as is practicable among the several states, to the form of the plans and rating systems in other states.

(b) The ~~secretary of health and environment~~ *Kansas health policy authority*, as administrator of the health care database, pursuant to K.S.A. 65-6804, and amendments thereto, shall serve as the statistical agent for the purpose of gathering, receiving and compiling the data required by the statistical plan or plans developed or approved under this section. The commissioner of insurance shall make an assessment upon the reporting insurance companies, health maintenance organizations, group self-funded pools, and other reporting entities sufficient to cover the anticipated expenses to be incurred by the ~~secretary~~ *Kansas health policy authority* in gathering, receiving and compiling such data. Such assessment shall be in the form of an annual fee established by the ~~secretary~~ *Kansas health policy authority* and charged to each reporting entity in proportion to such entity's respective shares of total health insurance premiums, subscriber charges and member fees received during the preceding calendar year. Such assessments shall be paid to the ~~secretary~~ *Kansas health policy authority* and the ~~secretary~~ *Kansas health policy authority* shall remit such fees to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the insurance statistical plan fund. Compilations of aggregate data gathered under the statistical plan or plans required by this act shall be made available to insurers, trade associations and other interested parties.

(c) The ~~secretary~~ *Kansas health policy authority*, in writing, shall report to the commissioner of insurance any insurance company, health maintenance organization, group self-funded pool, nonprofit hospital and medical service corporation and any other reporting entity which fails to report the information required in the form, manner or time prescribed by the ~~secretary~~ *Kansas health policy authority*. Upon receipt of such report, the commissioner of insurance shall impose an appropriate penalty in accordance with K.S.A. 40-2,125, and amendments thereto.

Sec. 2. K.S.A. 2005 Supp. 40-2251 is hereby repealed.

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

I hereby certify that the above BILL originated in the SENATE, and passed that body

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SENATE concurred in  
HOUSE amendments \_\_\_\_\_

\_\_\_\_\_  
*President of the Senate.*

\_\_\_\_\_  
*Secretary of the Senate.*

Passed the HOUSE  
as amended \_\_\_\_\_

\_\_\_\_\_  
*Speaker of the House.*

\_\_\_\_\_  
*Chief Clerk of the House.*

APPROVED \_\_\_\_\_

\_\_\_\_\_  
*Governor.*