

February 15, 2023



Kansas House Insurance Committee Pam.Maxwell@house.ks.gov

I strongly support HB2325. My concern centers on the information pertaining to the increasing cost, and reduction in availability, of Professional Liability Insurance for Birthing Centers and Nurse Midwives who are not associated with a physician practice or a hospital. We searched many markets to provide liability coverage for a stand-alone birthing center in Kansas. Every market declined to offer coverage, at any price, even though the center has not had a claim. Zero claims in many years of business would normally mean a premium credit for the center, not complete unavailability of coverage. On the other hand, I can write nurse midwives who are employed by physician groups and/or hospitals easily with multiple insurance carriers, at a reasonable cost.

And the situation could be easily rectified if birthing centers were added to the list of facilities recognized by the Kansas Stabilization Fund as “defined Health Care Providers” by passing House Bill 2325.

There may be some confusion regarding the difference between the Kansas Availability Plan (Plan) and the Kansas Stabilization Fund (Fund). They are definitely not the same.

The Kansas Availability **Plan** is the state insurance program of last resort. It is administered by KaMMCo, separate from their own private insurance program. The **Plan** provides primary insurance limits, but only for “defined health care providers” under the law. Nurse midwives are “defined health care providers” but currently, a birthing center by itself, does not qualify as a “defined health care provider” and therefore does not qualify for coverage through the **Plan**.

Because the **Plan** was set up as a last resort market, they do not provide risk management assistance or quality improvement counseling, like a standard insurance carrier. KaMMCo and Medical Protective have teams to help health care providers with advice, education and training, where the **Plan** provides no assistance in these areas.

The Kansas Stabilization **Fund**, provides excess coverage in the amount of \$500,000 per claim/ \$1.5 million annual aggregate. The **Fund** sits on top of the Plan’s limits to provide a total of \$1,000,000 per claim/\$3,000,000 annual aggregate to each “defined healthcare provider”. All individuals and corporations who are considered “defined health care providers” with an active Kansas license are required to participate in the **Fund**.

It is truly an unfair situation which may put stand-alone birthing centers out of business if not rectified. If no more affordable options are available, the reduction in nurse midwives in Kansas is inevitable. That would truly be a tragedy to the women who live in Kansas. We hope you will pass HB2325.

Sincerely,

Rebecca Williams, CIC
Account Executive, Shareholder at HUB Mid-America