

KANSAS OFFICE of  
**REVISOR of STATUTES**

LEGISLATURE of THE STATE of KANSAS  
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**MEMORANDUM**

To: Senate Committee on Financial Institutions and Insurance  
From: Office of Revisor of Statutes  
Date: January 25, 2023  
Subject: Bill Brief, SB 26

SB 26 amends K.S.A. 40-3203, pertaining to documents required of health maintenance organizations (HMO) and Medicaid provider organizations (MPO) to when applying for a certificate of authority. The bill makes a number of amendments to the documents required to establish financial soundness.

Current law:

Amended to:

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| Financial projections in conformity with statutory accounting practices for a minimum of three years from the anticipated date of certification and on a monthly basis from the date of certification through one year.      | Financial projections in conformity with statutory accounting practices for a minimum of three years from the date of application.<br>(page 2, line 25)                            |
| If the HMO or MPO is expected to incur a deficit, projections shall be made for each deficit year and for one year thereafter.   | If the HMO or MPO is expected to incur a deficit, projections shall be made for each deficit year and for one year thereafter, up to a maximum of five years.<br>(page 2, line 28) |
| All financial projections shall include monthly statements of revenue and expense for the first year on a gross dollar as well as per member per month basis, with quarters consistent with standard calendar year quarters. | Requirement eliminated.<br>Page 2, lines 30-32   |
| All financial projections shall include quarterly statements of revenue and expense for each subsequent year (after the first)   | Statements of revenue and expense for each year.<br>(page 2, line 33)  |
| A quarterly balance sheet  | A balance sheet for each year<br>(page 2, line 34)   |

The bill also makes a number of technical changes throughout the bill to conform to current drafting practices.