

## HOUSE BILL No. 2250

By Committee on Health and Human Services

Requested by Representative W. Carpenter on behalf of the Kansas Hospital Association

2-4

---

1 AN ACT relating to health and healthcare; concerning hospital providers;  
2 increasing the annual assessment on services rate on inpatient and  
3 outpatient revenue; expanding exemptions for such assessment;  
4 amending K.S.A. 65-6210 and K.S.A. 2024 Supp. 65-6208 and 65-  
5 6209 and repealing the existing sections.  
6

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

8 Section 1. K.S.A. 2024 Supp. 65-6208 is hereby amended to read as  
9 follows: 65-6208. (a) Subject to the provisions of K.S.A. 65-6209, and  
10 amendments thereto, an annual assessment on services is imposed on each  
11 hospital provider in an amount ~~not less than 1.83% of each hospital's net~~  
12 ~~inpatient operating revenue and not greater than 3%~~ 6% of each hospital's  
13 net inpatient and outpatient operating revenue, as determined by the  
14 healthcare access improvement panel in consultation with the department  
15 of health and environment, for the hospital's fiscal year three years prior to  
16 the assessment year. In the event that a hospital does not have a complete  
17 12-month fiscal year in such third prior fiscal year, the assessment under  
18 this section shall be \$200,000 until such date that such hospital has  
19 completed the hospital's first 12-month fiscal year. Upon completing such  
20 first 12-month fiscal year, such hospital's assessment under this section  
21 shall be the amount ~~not less than 1.83% of each hospital's net inpatient~~  
22 ~~operating revenue and not greater than 3%~~ 6% of such hospital's net  
23 inpatient and outpatient operating revenue, as determined by the healthcare  
24 access improvement panel in consultation with the department of health  
25 and environment, for such first completed 12-month fiscal year.

26 (b) Nothing in this act shall be construed to authorize any home rule  
27 unit or other unit of local government to license for revenue or impose a  
28 tax or assessment upon hospital providers or a tax or assessment measured  
29 by the income or earnings of a hospital provider.

30 ~~(c) (1) The department of health and environment shall submit to the~~  
31 ~~United States centers for medicare and medicaid services any approval~~  
32 ~~request necessary to implement the amendments made to subsection (a) by~~  
33 ~~section 1 of chapter 7 of the 2020 Session Laws of Kansas and this act. If~~  
34 ~~the department has submitted such a request pursuant to section 80(1) of~~

1 chapter 68 of the 2019 Session Laws of Kansas or section 1 of chapter 7 of  
2 the 2020 Session Laws of Kansas, then the department may continue such  
3 request, or modify such request to conform to the amendments made to  
4 subsection (a) by section 1 of chapter 7 of the 2020 Session Laws of  
5 Kansas and this act, to fulfill the requirements of this paragraph.

6 (2) ~~The secretary of health and environment shall certify to the~~  
7 ~~secretary of state the receipt of such approval and cause notice of such~~  
8 ~~approval to be published in the Kansas register.~~

9 (3) ~~The amendments made to subsection (a) by section 1 of chapter 7~~  
10 ~~of the 2020 Session Laws of Kansas and this act shall take effect on and~~  
11 ~~after January 1 or July 1 immediately following such publication of such~~  
12 ~~approval.~~

13 Sec. 2. K.S.A. 2024 Supp. 65-6209 is hereby amended to read as  
14 follows: 65-6209. (a) A hospital provider that is a state agency, the  
15 authority, as defined in K.S.A. 76-3304, and amendments thereto, a state  
16 educational institution, as defined in K.S.A. 76-711, and amendments  
17 thereto, a critical access hospital, as defined in K.S.A. 65-468, and  
18 amendments thereto, *with revenues below the threshold determined by the*  
19 *healthcare access improvement panel*, or a rural emergency hospital  
20 licensed under the rural emergency hospital act, K.S.A. 2024 Supp. 65-481  
21 et seq., and amendments thereto, *with revenues below the threshold*  
22 *determined by the healthcare access improvement panel*, is exempt from  
23 the assessment imposed by K.S.A. 65-6208, and amendments thereto.

24 (b) A hospital operated by the department in the course of performing  
25 its mental health or developmental disabilities functions is exempt from  
26 the assessment imposed by K.S.A. 65-6208, and amendments thereto.

27 Sec. 3. K.S.A. 65-6210 is hereby amended to read as follows: 65-  
28 6210. (a) The assessment imposed by K.S.A. 65-6208, and amendments  
29 thereto, for any state fiscal year to which this statute applies shall be due  
30 and payable in equal installments on or before ~~June~~ *May* 30 and ~~December~~  
31 ~~31~~ *November 30*, commencing with whichever date first occurs after the  
32 hospital has received payments for 150 days after the effective date of the  
33 payment methodology approved by the centers for medicare and medicaid  
34 services. No installment payment of an assessment under this act shall be  
35 due and payable, however, until after:

36 (1) The hospital provider receives written notice from the department  
37 that the payment methodologies to hospitals required under this act have  
38 been approved by the centers for medicare and medicaid services of the  
39 United States department of health and human services under 42 C.F.R. §  
40 433.68 for the assessment imposed by K.S.A. 65-6208, and amendments  
41 thereto, has been granted by the centers for medicare and medicaid  
42 services of the United States department of health and human services; and

43 (2) in the case of a hospital provider, the hospital has received

1 payments for 150 days after the effective date of the payment methodology  
2 approved by the centers for medicare and medicaid services.

3 (b) The department is authorized to establish delayed payment  
4 schedules for hospital providers that are unable to make installment  
5 payments when due under this section due to financial difficulties, as  
6 determined by the department.

7 (c) If a hospital provider fails to pay the full amount of an installment  
8 when due, including any extensions granted under this section, there shall  
9 be added to the assessment imposed by K.S.A. 65-6208, and amendments  
10 thereto, unless waived by the department for reasonable cause, a penalty  
11 assessment equal to the lesser of:

12 (1) An amount equal to 5% of the installment amount not paid on or  
13 before the due date plus 5% of the portion thereof remaining unpaid on the  
14 last day of each month thereafter; or

15 (2) an amount equal to 100% of the installment amount not paid on or  
16 before the due date.

17 For purposes of *this* subsection ~~(e)~~, payments ~~will~~ *shall* be credited first  
18 to unpaid installment amounts, rather than to penalty or interest amounts,  
19 beginning with the most delinquent installment.

20 (d) *The department is authorized to take legal action against any*  
21 *hospital that fails to pay the amount due, including penalties, upon*  
22 *recommendation of the healthcare access improvement program panel,*  
23 *unless such hospital has established and is compliant with a payment*  
24 *schedule approved by the department.*

25 (e) The effective date for the payment methodology applicable to  
26 hospital providers approved by the centers for medicare and medicaid  
27 services shall be the date of July 1 or January 1, whichever date is  
28 designated in the state plan submitted by the department of health and  
29 environment for approval by the centers for medicare and medicaid  
30 services.

31 Sec. 4. K.S.A. 65-6210 and K.S.A. 2024 Supp. 65-6208 and 65-6209  
32 are hereby repealed.

33 Sec. 5. This act shall take effect and be in force from and after its  
34 publication in the statute book.