

SESSION OF 2012

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2486**

As Recommended by House Committee on  
Insurance

**Brief\***

HB 2486 would amend an examination provision in the Insurance Code to require the examination of health maintenance organizations (HMOs) and Medicare provider organizations (and providers with whom the provider organization has contracts, agreements, or other arrangements) every five years. Under current law, these organizations are examined every three years.

The bill would maintain the current statutory requirement (at least once every three years) for a separate on-site quality of care assessment by an independent quality review organization.

**Background**

The bill was introduced at the request of the Kansas Insurance Department whose representative indicated the bill would provide parity among Kansas companies regarding the minimum exam requirement, as other insurance companies currently are examined at least once every five years. Increasing the minimum frequency of exams, the representative continued, would lower the number of exams required over time, and therefore, lower the regulatory burden on HMOs and saving them money in the long run. There were no other proponents and no opponents to the bill at the time of the House Committee hearing.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The fiscal note prepared by the Division of the Budget states the Kansas Insurance Department indicates enactment of the bill would have no fiscal effect.