

February 19, 2014

The Honorable Scott Schwab, Chairperson
House Committee on Insurance
Statehouse, Room 151-S
Topeka, Kansas 66612

Dear Representative Schwab:

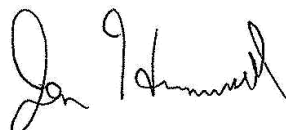
SUBJECT: Fiscal Note for HB 2587 by House Committee on Federal and State
Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2587 is respectfully submitted to your committee.

HB 2587 would prohibit agreements between medical providers and insurance companies that prevent providers from signing contracts with other companies for lower reimbursement rates. In addition, agreements could not allow one insurer to pay a lower rate than contracted if a provider contracts for lower reimbursements with another company, could not allow termination of contract if a provider signs a contract for lower reimbursement with a different insurer, and would not allow insurers to require that providers divulge terms of contracts with another insurer. Any contract that violates the bill would be considered void.

The Department of Health and Environment indicates passage of the bill would have no fiscal effect on the state's Medicaid or State Employee Health Benefits Plans. The potential effect on private insurance plans cannot be estimated.

Sincerely,



Jon Hummell,
Interim Director of the Budget

cc: Zac Anshutz, Insurance Department
Aaron Dunkel, KDHE