

February 12, 2014

The Honorable Mary Pilcher-Cook, Chairperson
Senate Committee on Public Health and Welfare
Statehouse, Room 441-E
Topeka, Kansas 66612

Dear Senator Pilcher-Cook:

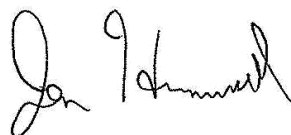
SUBJECT: Fiscal Note for SB 317 by Senate Committee on Public Health and Welfare

In accordance with KSA 75-3715a, the following fiscal note concerning SB 317 is respectfully submitted to your committee.

SB 317 would require the Kansas Medicaid managed care organizations (MCO) to pay or deny all clean claims within 30 days of receipt of the claim and to pay or deny all claims within 90 days of receipt of the claim. If those deadlines are not met, the MCOs would have to pay interest to the provider at a rate of 12.0 percent per year.

Passage of SB 317 would have no fiscal effect. The Kansas Department of Health and Environment states that interest penalties prescribed in the bill would be paid by the MCOs directly to the providers. The costs associated with the penalties would not add to future costs of the state since the parameters in the bill are already consistent with the MCO contracts.

Sincerely,



Jon Hummell,
Interim Director of the Budget

cc: Aaron Dunkel, KDHE