



Kansas Insurance Department

Ken Selzer, CPA, Commissioner of Insurance

TESTIMONY ON HB 2142

HOUSE INSURANCE COMMITTEE

February 4, 2015

Chairman and Members of the Committee:

I am Clark Shultz, Director of Governmental Affairs for the Kansas Insurance Department. Thank you for the opportunity to testify in support of HB 2142 which deals with the Fraudulent Insurance Act and with the external review process regarding health insurance.

The bill makes several technical changes to K.S.A. 40-2,118 updating the definition of "written" to "...written, electronic, electronic impulse, facsimile, magnetic, oral, telephonic communication..." to match the Medicaid Fraud Statute K.S.A. 21-3845.

The bill also makes changes regarding the external review law requiring external review organizations that are used by the Kansas Department of Insurance to be nationally accredited. State law currently requires the organization to either be nationally accredited OR work mostly with Kansas providers.

The federal department of Health and Human Services has granted a waiver from the requirement that the organization be nationally accredited which expires January 1, 2016. After that date if Kansas does not require organizations to be nationally accredited, Health and Human Services will take over all external reviews for Kansas residents.

The organization that we use in Kansas is working towards becoming nationally accredited and we anticipate that this will be completed prior to the expiration of the waiver. For this reason, the Department of Insurance requests your favorable consideration of HB 2142.

Thank you.

Clark Shultz
Director, Government Affairs
Kansas Insurance Department