

SENATE BILL No. 94

By Committee on Ways and Means

1-26

1 AN ACT concerning health maintenance organizations; relating to
2 privilege fees; rate; disposition of moneys; extending the medical
3 assistance fee fund; amending K.S.A. 2016 Supp. 40-3213 and 40-3236
4 and repealing the existing sections.
5

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

7 Section 1. K.S.A. 2016 Supp. 40-3213 is hereby amended to read as
8 follows: 40-3213. (a) Every health maintenance organization and medicare
9 provider organization subject to this act shall pay to the commissioner the
10 following fees:

- 11 (1) For filing an application for a certificate of authority, \$150;
- 12 (2) for filing each annual report, \$50;
- 13 (3) for filing an amendment to the certificate of authority, \$10.

14 (b) Every health maintenance organization subject to this act shall
15 pay annually to the commissioner at the time such organization files its
16 annual report; a privilege fee in an amount equal to 1% per annum of the
17 total of all premiums, subscription charges or any other term which may be
18 used to describe the charges made by such organization to enrollees,
19 except during the reporting period beginning January 1, 2015, and ending
20 December 31, ~~2017~~ 2016, the privilege fee shall be 3.31%, ~~and on and~~
21 ~~after~~ January 1, ~~2018~~ 2017, the privilege fee shall be ~~2%~~ 5.77%. In such
22 computations all such organizations shall be entitled to deduct therefrom
23 any premiums or subscription charges returned on account of cancellations
24 and dividends returned to enrollees. If the commissioner shall determine at
25 any time that the application of the privilege fee, or a change in the rate of
26 the privilege fee, would cause a denial of, reduction in or elimination of
27 federal financial assistance to the state or to any health maintenance
28 organization subject to this act, the commissioner is hereby authorized to
29 terminate the operation of such privilege fee or the change in such
30 privilege fee.

31 (c) For the purpose of insuring the collection of the privilege fee
32 provided for by subsection (b), every health maintenance organization
33 subject to this act and required by subsection (b) to pay such privilege fee
34 shall at the time it files its annual report, as required by K.S.A. 40-3220,
35 and amendments thereto, make a return, generated by or at the direction of
36 its chief officer or principal managing director, under penalty of K.S.A.

during the reporting period beginning

and ending December 31, 2020,

, and on and after January 1, 2021, the privilege
fee shall be 3.31%