



Kansas Hospital
ASSOCIATION

TO: House Health and Human Services Committee

FROM: Chad Austin
Senior Vice President, Government Relations

DATE: March 20, 2019

RE: House Bill 2402

The Kansas Hospital Association appreciates the opportunity to provide comments in opposition to House Bill 2402, which would modify the corporate practice of medicine in Kansas.

We acknowledge that the bill would exempt a medical care facility from the requirements, following well established case law in our state. That case law, which began almost 100 years ago, has evolved over the years and we recognize that because of the nature of the changing healthcare delivery system, it will likely keep evolving. As such, we feel that any statutory amendments to this are best considered after a thorough review of what is necessary through a process like an interim study. For example, amendments like those put forth by the Kansas Medical Society, which would require corporations employing health care providers to meet the same requirements as other employers currently providing health care services, are worthy of serious consideration.

In addition, we are concerned about the effect of this bill on the Health Care Stabilization Fund. HB 2402 appears to add this type of business organization to the types of entities covered by the Fund. However, as the Kansas Medical Society suggests, it would be important to conduct an actuarial study of the effects of adding these business entities to the Fund.

For these reasons, KHA does not support HB 2402 as currently written.