

KANSAS OFFICE of
REVISOR of STATUTES

LEGISLATURE of THE STATE of KANSAS
Legislative Attorneys transforming ideas into legislation.

300 SW TENTH AVENUE ■ SUITE 24-E ■ TOPEKA, KS 66612 ■ (785) 296-2321

MEMORANDUM

To: House Committee on Insurance
From: Office of Revisor of Statutes
Date: March 6, 2023
Subject: Bill Brief, SB 26

SB 26 is the Senate version of HB 2094. The bill amends K.S.A. 40-3203, pertaining to documents required of health maintenance organizations (HMO) and Medicaid provider organizations (MPO) to when applying for a certificate of authority. The bill makes a number of amendments to the documents required to establish financial soundness.

Current law:	Amended to:
Financial projections in conformity with statutory accounting practices for a minimum of three years from the anticipated date of certification and on a monthly basis from the date of certification through one year.	Financial projections in conformity with statutory accounting practices for a minimum of three years from the date of application. (page 2, line 25)
If the HMO or MPO is expected to incur a deficit, projections shall be made for each deficit year and for one year thereafter.	If the HMO or MPO is expected to incur a deficit, projections shall be made for each deficit year and for one year thereafter, up to a maximum of five years. (page 2, line 28)
All financial projections shall include monthly statements of revenue and expense for the first year on a gross dollar as well as per member per month basis, with quarters consistent with standard calendar year quarters.	Requirement eliminated. Page 2, lines 30-32
All financial projections shall include quarterly statements of revenue and expense for each subsequent year (after the first)	Statements of revenue and expense for each year. (page 2, line 33)
A quarterly balance sheet	A balance sheet for each year (page 2, line 34)

The bill also makes a number of technical changes throughout the bill to conform to current drafting practices.

The Senate Committee of the Whole passed SB 26 on a vote of 38 to 1 on February 9, 2023.