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REVISOR of STATUTES

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MEMORANDUM

To: House Committee on Insurance
From: Office of Revisor of Statutes
Date: February 6, 2023
Subject: Bill Brief, HB 2094

HB 2094 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.