

SESSION OF 2016

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2579**

As Recommended by House Committee on  
Insurance and Financial Institutions

**Brief\***

HB 2579 would permit the Secretary for Aging and Disability Services (Secretary) or the Secretary's designee to issue a correction order to a licensee of a health care facility whenever the Secretary's duly authorized representative determines the facility is not in compliance with the professional liability insurance requirements prescribed by the Health Care Provider Insurance Availability Act (Act) or the rules and regulations promulgated under the Act.

The bill would require the correction order to be in writing and served upon the licensee of the health care facility either personally or by certified mail with return receipt requested. The correction order would need to cite the specific statutory provision or rule and regulation alleged to have been violated and specify the time allowed for correction. If a licensee fails to correct the deficiency or deficiencies specified in the order, the Secretary would be permitted to assess a civil penalty, as permitted under current law, of \$500 per day, with the maximum assessment not to exceed \$2,500.

The bill would specify the term "health care facility" has the same meaning as defined in the Act.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

## **Background**

The bill was introduced by the House Committee on Financial Institutions and Insurance at the request of the Health Care Stabilization Fund Board of Governors (Board). The Executive Director of the Board noted the Act was amended by the 2014 Legislature to define nursing facilities, assisted living facilities, and residential health care facilities as health care providers, which requires those facilities, as of January 1, 2015, to maintain minimum levels of professional liability insurance coverage and meet other requirements associated with participation in the Health Care Stabilization Fund. The representative noted permitting the Secretary to issue correction orders to non-compliant facilities would be a reasonable method of enforcing compliance with the requirements of the Act. Written proponent testimony was provided by representatives of the Kansas Health Care Association and Kansas Center for Assisted Living, and LeadingAge Kansas.

Neutral written testimony was provided by the Commissioner of the Survey, Certification, and Credentialing Commission of the Kansas Department for Aging and Disability Services (KDADS). No other testimony was provided.

According to the fiscal note prepared by the Division of the Budget, the bill would have a negligible fiscal effect on KDADS.