

Clark Shultz, Executive Director  
300 S.W. 8<sup>th</sup> Avenue, Second Floor  
Topeka, Kansas 66603-3912



Telephone: 785-291-3777  
Fax: 785-291-3550  
Web Site: <http://www.hcsf.ks.gov/>

Testimony to the House Committee on Insurance and Pensions  
Monday, March 14, 2022, 3:30 PM, 218-N

Thank you Mr. Chairman and Members of the Committee,

SB 399 would add “maternity centers” to the definition of healthcare providers, requiring them to purchase \$500,000 base insurance, and \$500,000 additional coverage from the Stabilization Fund.

In each case where healthcare providers are defined in 40-3401, the licensing agency also has statutory authority to revoke the license of a healthcare provider who does not comply with the liability insurance requirements. For example, 65-2836 gives the Board of Healing Arts the authority to revoke the license of a physician who does not comply with 40-3402.

We believe that if “maternity centers” are added to the definition of healthcare providers, this same statutory authority needs to be added to 65-504, to provide the Secretary of Health and Environment to revoke the license of a maternity center who does not comply with the liability insurance requirements contained in 40-3402.

As you know, participation in the Fund is not voluntary but is mandatory for defined healthcare providers. In addition participation in the Fund is restricted to only defined healthcare providers. This needs to be maintained if maternity centers are added. Otherwise we will wind up with a sort of adverse selection, where maternity centers who do not want to comply, will choose to not comply and there will be no enforcement from the licensing agency.

Thank you and I look forward to any questions at the appropriate time.

Clark Shultz

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