

HOUSE BILL No. 2486

By Committee on Insurance

1-19

1 AN ACT concerning insurance; relating to examination of organizations
2 and providers; amending K.S.A. 40-3211 and repealing the existing
3 section.
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5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 40-3211 is hereby amended to read as follows: 40-
7 3211. (a) The commissioner may make an examination of the affairs of
8 any health maintenance organization or medicare provider organization
9 and providers with whom such organization has contracts, agreements or
10 other arrangements as often as the commissioner deems it necessary for
11 the protection of the interests of the people of this state but not less
12 frequently than once every ~~three~~ five years.

13 (b) At least once every three years and at such other times as the
14 commissioner may require, a health maintenance organization or medicare
15 provider organization shall obtain an on-site quality of care assessment by
16 an independent quality review organization acceptable to the
17 commissioner for the purpose of evaluating levels of health care delivery
18 according to industry standards as prevailing from time to time. The
19 findings of ~~said~~ such independent quality review organization shall be
20 expressed by it in a written opinion relating to the general quality of care
21 provided by the health maintenance organization or medicare provider
22 organization and its related contractors of health care services. Failure to
23 obtain such quality of care assessment or the rendering of an unfavorable
24 opinion by the independent quality review organization shall give the
25 commissioner cause to institute action in accordance with K.S.A. 40-3205,
26 40-3206 or 40-3207, and amendments thereto.

27 (c) Every health maintenance organization or medicare provider
28 organization and any of the medicare provider organization providers shall
29 submit its books and records relating its operation to such examinations.
30 Medical records of individuals and records of providers under a contract to
31 the health maintenance organization or medicare provider organization
32 shall be subject to such examination, but the identity of patients shall not
33 be disclosed in any report to the commissioner or the commissioner's
34 agents or representatives. For the purpose of examinations, the
35 commissioner may administer oaths to, and examine the officers and
36 agents of the health maintenance organization or medicare provider

1 organization and the principals of such providers.

2 (d) The fees and expenses of examinations under this section shall be
3 assessed against the organization being examined and remitted to the
4 commissioner. The fees and expenses of the commissioner shall be in
5 accordance with K.S.A. 40-223, and amendments thereto.

6 (e) In lieu of such examination, the commissioner may accept the
7 report of an examination made by the appropriate examining agency or
8 official of another state or agency of the federal government.

9 Sec. 2. K.S.A. 40-3211 is hereby repealed.

10 Sec. 3. This act shall take effect and be in force from and after its
11 publication in the statute book.

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