AN ACT concerning the Kansas state employees healthcare commission; relating to the establishment of new healthcare benefits; plan design, billing requirements, pricing information; requiring that such benefits not be covered or affiliated with a health insurer or health benefits plan.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) (1) The Kansas state employees healthcare commission shall establish and administer a package of healthcare benefits under this section that shall be available to individuals who are employees of the state and who are qualified to participate in the state healthcare benefits program pursuant to K.S.A. 75-6501, and amendments thereto.

(2) The Kansas state employees healthcare commission shall establish minimum plan design requirements prior to issuing a request for proposals. Procurement of a vendor or contractor shall be subject to the competitive bid process established by K.S.A. 75-3739, and amendments thereto.

(b) Pursuant to K.S.A. 75-6501, and amendments thereto, participation of an individual qualified to participate shall be voluntary, and the cost for the additional benefits established in this section shall be determined by the commission.

(c) The healthcare benefits established by this section shall not be covered or affiliated with a health insurer or health benefit plan and may include, but shall not be limited to:

(1) Relationship-based care coordination provided by a licensed registered nurse;
(2) mobile applications to provide pharmacy information; and
(3) healthcare services delivered via telemedicine by healthcare providers.

(d) In order to provide the healthcare benefits established by this section, the Kansas state employees healthcare commission, in accordance with the provisions of K.S.A. 75-6504, and amendments thereto, may contract to provide healthcare services directly with a healthcare organization, or such organization's designated representative, to provide inpatient or outpatient healthcare services on behalf of participant members of the state employee healthcare benefits program. Any services provided pursuant to such contract shall be required to meet the provisions of this section.
(e) (1) A healthcare organization, or such organization's designated representative, may submit a bill directly to the state healthcare benefits program for payment without submitting the bill through a health insurer or third-party administrator for services provided to a participant member. The participant member's insurance provider or third-party payor shall be required to accept patient files from the healthcare organization, or such organization's designated representative, to ensure the eligible patient's deductible status is current and accurate.

(2) Bills for healthcare services submitted to the state healthcare benefits program under a direct contract with a healthcare provider, as authorized by this section, shall be required to be transparent regarding pricing and inclusive of all costs applicable to the services billed. For medical procedures, services shall be billed at a flat rate that shall include all components integral to the procedure and any services performed prior to or subsequently following the procedure.

(f) (1) The Kansas state employees healthcare commission shall ensure that pricing information provided by the healthcare organization, or such organization's designated representative, is made available electronically or through written documentation to participating members. A healthcare organization, or such organization's designated representative, shall update pricing information for services billed to the state healthcare benefits program in a timely manner, so that materials utilized to advertise the services to participating members is accurate.

(2) (A) A healthcare organization, or such organization's designated representative, shall include and designate the costs associated with healthcare services and the costs associated with revenue cycle functions to result in an aggregate service cost associated with each service.

(B) (i) For purposes of this paragraph, "revenue cycle functions" means certain administrative functions, as determined by the commission, performed when providing services to a plan member. "Revenue cycle functions" may include, but shall not be limited to, billing for services performed, receiving payment from the state healthcare benefits program, sending files to a third-party administrator as necessary, allowed and related to the services billed under the contract.

(ii) Any additional costs not related to revenue cycle functions or healthcare services shall not be included in the aggregate service cost but shall be reported to the state healthcare benefits program.

(g) The commission shall adopt all rules and regulations necessary to implement and administer the provisions of this section. Such rules and regulations shall be adopted by July 1, 2021.

(h) As used in this section:

(1) "Designated representative" means an entity with the legal authority to execute contracts and otherwise act on behalf of a healthcare
organization for the provision of healthcare services, including, but not limited to, management service organizations and independent physician networks.

(2) "Health benefit plan" means the same as defined in K.S.A. 40-4602, and amendments thereto.

(3) "Health insurer" means the same as defined in K.S.A. 40-4602, and amendments thereto.

(4) "Healthcare organization" means any entity delivering healthcare services, including, but not limited to, physician-owned practices, hospitals, health systems, rural health clinics, federally qualified health centers, rehabilitation clinics and infusion clinics.

(5) "Healthcare professional" means a physician, licensed physician assistant, licensed advanced practice registered nurse or person licensed, registered, certified or otherwise authorized to practice a profession by the behavioral sciences regulatory board.

(6) "Healthcare provider" means the same as defined in K.S.A. 2019 Supp. 40-2,211, and amendments thereto.

(7) "Healthcare service" means any medically necessary process required in the diagnosis or treatment of a patient by a qualified healthcare professional operating within the scope of the healthcare professional's licensure.

(8) "Telemedicine" means the same as defined in K.S.A. 2019 Supp. 40-2,211, and amendments thereto.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.