

February 22, 2022

The Honorable Steven Johnson, Chairperson
House Committee on Insurance and Pensions
Statehouse, Room 218-N
Topeka, Kansas 66612

Dear Representative Johnson:

SUBJECT: Fiscal Note for HB 2637 by House Committee on Insurance and Pensions

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2637 is respectfully submitted to your committee.

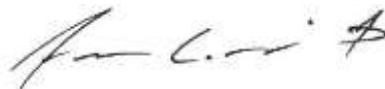
HB 2637 would establish the Health Maintenance Organization Preauthorization Exception Act. The bill would establish an exemption for certain physicians and other providers from certain preauthorization requirements when providing certain healthcare services. The bill details the period of time when physicians or providers would be exempt from preauthorization. HB 2637 also details the parameters under which a health maintenance organization or insurer could rescind an exemption from preauthorization requirements. Under the provision of the bill, a health maintenance organization could not deny or reduce payment to a physician or provider for healthcare services when a physician or provider qualified for an exemption. The bill would not allow a health maintenance organization or insurer to conduct a retrospective review unless certain exceptions are met.

The Board of Healing Arts indicates that there would be a negligible effect to the agency's operations because the bill could increase complaints and investigations. However, those increases would be absorbed within existing resources.

The Kansas State Board of Nursing indicates that information regarding the provisions of the bill would need to be communicated to nurses. However, the information would be communicated through venues the agency currently has in place and therefore any additional implementation expenditures would be absorbed within existing resources.

The Insurance Department, Board of Optometry, Board of Pharmacy, Kanas Dental Board, and Kansas Department of Health and Environment all state that the bill would not have a fiscal effect. Any fiscal effect associated with HB 2637 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Bobbi Mariani, Insurance
Susan Gile, Board of Healing Arts