

REPORTS OF STANDING COMMITTEES

MR. PRESIDENT:

The Committee on **Ways and Means** recommends **SB 436** be amended on page 1, in line 8, after "Section 1." by inserting:

"K.S.A. 2011 Supp. 40-3213 is hereby amended as follows: 40-3213. (a) Every health maintenance organization and medicare provider organization subject to this act shall pay to the commissioner the following fees:

- (1) For filing an application for a certificate of authority, \$150;
- (2) for filing each annual report, \$50;
- (3) for filing an amendment to the certificate of authority, \$10.

(b) Every health maintenance organization subject to this act shall pay annually to the commissioner at the time such organization files its annual report, a privilege fee in an amount equal to 1% per annum of the total of all premiums, subscription charges or any other term which may be used to describe the charges made by such organization to enrollees. In such computations all such organizations shall be entitled to deduct therefrom any premiums or subscription charges returned on account of cancellations and dividends returned to enrollees. If the commissioner shall determine at any time that the application of the privilege fee would cause a denial of, reduction in or elimination of federal financial assistance to the state or to any health maintenance organization subject to this act, the commissioner is hereby authorized to terminate the operation of such privilege fee.

(c) For the purpose of insuring the collection of the privilege fee provided for by subsection (b), every health maintenance organization subject to this act and required by

subsection (b) to pay such privilege fee shall at the time it files its annual report, as required by K.S.A. 40-3220, and amendments thereto, make a return, generated by or at the direction of its chief officer or principal managing director, under penalty of K.S.A. 2011 Supp. 21-5824, and amendments thereto, to the commissioner, stating the amount of all premiums, assessments and charges received by the health maintenance organization, whether in cash or notes, during the year ending on the last day of the preceding calendar year. Upon the receipt of such returns the commissioner of insurance shall verify the same and assess the fees upon such organization on the basis and at the rate provided herein and such fees shall thereupon become due and payable.

(d) Premiums or other charges received by an insurance company from the operation of a health maintenance organization subject to this act shall not be subject to any fee or tax imposed under the provisions of K.S.A. 40-252, and amendments thereto.

(e) Fees charged under this section shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, except as provided by K.S.A. 65-180, and amendments thereto, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state general fund.

Sec. 2. ";

On page 4, in line 6, by striking all after "the"; by striking all in lines 7 and 8; in line 9, by striking all before the period and inserting "portion of such amount that is necessary to fund the newborn screening program for the preceding month as certified by the secretary of health and environment or the secretary's designee, to the newborn screening fund, except that such amount shall not exceed the amount to be credited to the state general fund pursuant to K.S.A. 40-3213, and amendments thereto";

And by renumbering sections accordingly;

Also on page 4, in line 10, after "Supp." by inserting "40-3213 and"; by striking "is" and

inserting "are";

On page 1, in the title, in line 4, after "Supp." by inserting "40-3213 and"; in line 5, by striking "section" and inserting "sections"; and the bill be passed as amended.

_____Chairperson