

February 19, 2014

The Honorable Rob Olson, Chairperson  
Senate Committee on Financial Institutions and Insurance  
Statehouse, Room 236-E  
Topeka, Kansas 66612

Dear Senator Olson:

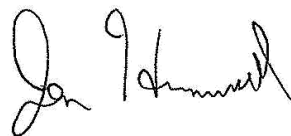
**SUBJECT:** Fiscal Note for SB 336 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 336 is respectfully submitted to your committee.

SB 336 would prohibit agreements between medical providers and insurance companies that prevent providers from signing contracts with other companies for lower reimbursement rates. In addition, agreements could not allow one insurer to pay a lower rate than contracted if a provider contracts for lower reimbursements with another company, could not allow termination of contract if a provider signs a contract for lower reimbursement with a different insurer, and would not allow insurers to require that providers divulge terms of contracts with another insurer. Any contract that violates the bill would be considered void.

The Department of Health and Environment indicates passage of the bill would have no fiscal effect on the state's Medicaid or State Employee Health Benefits Plans. The potential effect on private insurance plans cannot be estimated.

Sincerely,



Jon Hummell,  
Interim Director of the Budget

cc: Zac Anshutz, Insurance Department  
Aaron Dunkel, KDHE