

HOUSE BILL No. 2118

AN ACT concerning health care providers; relating to the health care provider insurance availability act; liability exceptions; provider exemptions; inactive provider coverage limits; inactive licensure of advanced practice registered nurses; amending K.S.A. 2016 Supp. 40-3401, 40-3408, 40-3424 and 65-1131 and repealing the existing sections.

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

New Section 1. (a) Notwithstanding any provision of article 34 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, to the contrary, the fund shall in no event be liable for any claim against a health care provider if:

(1) The health care provider's liability for the incident giving rise to the claim is the result of professional services rendered as a charitable healthcare provider; or

(2) the health care provider's liability for the incident giving rise to the claim is covered under the federal tort claims act pursuant to chapter 171 of title 28 of the United States code.

(b) This section shall be part of and supplemental to the health care provider insurance availability act.

Sec. 2. K.S.A. 2016 Supp. 40-3401 is hereby amended to read as follows: 40-3401. As used in this act the following terms shall have the meanings respectively ascribed to them herein.

(a) "Applicant" means any health care provider.

(b) "Basic coverage" means a policy of professional liability insurance required to be maintained by each health care provider pursuant to the provisions of K.S.A. 40-3402(a) or (b), and amendments thereto.

(c) "Commissioner" means the commissioner of insurance.

(d) "Fiscal year" means the year commencing on the effective date of this act and each year, commencing on the first day of July thereafter.

(e) "Fund" means the health care stabilization fund established pursuant to K.S.A. 40-3403(a), and amendments thereto.

(f) "Health care provider" means a person licensed to practice any branch of the healing arts by the state board of healing arts, a person who holds a temporary permit to practice any branch of the healing arts issued by the state board of healing arts, a person engaged in a postgraduate training program approved by the state board of healing arts, a medical care facility licensed by the state of Kansas, a podiatrist licensed by the state board of healing arts, a health maintenance organization issued a certificate of authority by the commissioner, an optometrist licensed by the board of examiners in optometry, a pharmacist licensed by the state board of pharmacy, a licensed professional nurse who is authorized to practice as a registered nurse anesthetist, a licensed professional nurse who has been granted a temporary authorization to practice nurse anesthesia under K.S.A. 65-1153, and amendments thereto, a professional corporation organized pursuant to the professional corporation law of Kansas by persons who are authorized by such law to form such a corporation and who are health care providers as defined by this subsection, a Kansas limited liability company organized for the purpose of rendering professional services by its members who are health care providers as defined by this subsection and who are legally authorized to render the professional services for which the limited liability company is organized, a partnership of persons who are health care providers under this subsection, a Kansas not-for-profit corporation organized for the purpose of rendering professional services by persons who are health care providers as defined by this subsection, a nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine, a dentist certified by the state board of healing arts to administer anesthetics under K.S.A. 65-2899, and amendments thereto, a psychiatric hospital licensed prior to January 1, 1988, and continuously thereafter under K.S.A. 75-3307b, and amendments thereto, or a mental health center or mental health clinic licensed by the state of Kansas. On and after January 1, 2015, "health care provider" also means a physician assistant licensed by the state board of healing arts, a licensed advanced practice registered nurse who is authorized by the state board of nursing to practice as an advanced practice registered nurse in the classification of a nurse-midwife, a licensed advanced practice registered nurse who has been granted a temporary authorization by the state board of nursing to practice as an advanced practice registered nurse in the classification of a nurse-midwife, a nursing facility licensed by the state of Kansas, an

assisted living facility licensed by the state of Kansas or a residential health care facility licensed by the state of Kansas. “Health care provider” does not include: (1) Any state institution for people with intellectual disability; (2) any state psychiatric hospital; (3) any person holding an exempt license issued by the state board of healing arts or the state board of nursing; (4) any person holding a visiting clinical professor license from the state board of healing arts; (5) any person holding an inactive license issued by the state board of healing arts; (6) any person holding a federally active license issued by the state board of healing arts; (7) an advanced practice registered nurse who is authorized by the state board of nursing to practice as an advanced practice registered nurse in the classification of nurse-midwife or nurse anesthetist and who practices solely in the course of employment or active duty in the United States government or any of its departments, bureaus or agencies or who provides professional services as a charitable health care provider as defined under K.S.A. 75-6102, and amendments thereto; or (8) a physician assistant licensed by the state board of healing arts who practices solely in the course of employment or active duty in the United States government or any of its departments, bureaus or agencies or who provides professional services as a charitable health care provider as defined under K.S.A. 75-6102, and amendments thereto.

(g) “Inactive health care provider” means a person or other entity who purchased basic coverage or qualified as a self-insurer on or subsequent to the effective date of this act but who, at the time a claim is made for personal injury or death arising out of the rendering of or the failure to render professional services by such health care provider, does not have basic coverage or self-insurance in effect solely because such person is no longer engaged in rendering professional service as a health care provider.

(h) “Insurer” means any corporation, association, reciprocal exchange, inter-insurer and any other legal entity authorized to write bodily injury or property damage liability insurance in this state, including workers compensation and automobile liability insurance, pursuant to the provisions of the acts contained in article 9, 11, 12 or 16 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto.

(i) “Plan” means the operating and administrative rules and procedures developed by insurers and rating organizations or the commissioner to make professional liability insurance available to health care providers.

(j) “Professional liability insurance” means insurance providing coverage for legal liability arising out of the performance of professional services rendered or which should have been rendered by a health care provider.

(k) “Rating organization” means a corporation, an unincorporated association, a partnership or an individual licensed pursuant to K.S.A. 40-956, and amendments thereto, to make rates for professional liability insurance.

(l) “Self-insurer” means a health care provider who qualifies as a self-insurer pursuant to K.S.A. 40-3414, and amendments thereto.

(m) “Medical care facility” means the same when used in the health care provider insurance availability act as the meaning ascribed to that term in K.S.A. 65-425, and amendments thereto, except that as used in the health care provider insurance availability act such term, as it relates to insurance coverage under the health care provider insurance availability act, also includes any director, trustee, officer or administrator of a medical care facility.

(n) “Mental health center” means a mental health center licensed by the state of Kansas under K.S.A. 75-3307b, and amendments thereto, except that as used in the health care provider insurance availability act such term, as it relates to insurance coverage under the health care provider insurance availability act, also includes any director, trustee, officer or administrator of a mental health center.

(o) “Mental health clinic” means a mental health clinic licensed by the state of Kansas under K.S.A. 75-3307b, and amendments thereto, except that as used in the health care provider insurance availability act such term, as it relates to insurance coverage under the health care provider insurance availability act, also includes any director, trustee, officer or administrator of a mental health clinic.

(p) “State institution for people with intellectual disability” means

Winfield state hospital and training center, Parsons state hospital and training center and the Kansas neurological institute.

(q) “State psychiatric hospital” means Larned state hospital, Osawatomie state hospital and Rainbow mental health facility.

(r) “Person engaged in residency training” means:

(1) A person engaged in a postgraduate training program approved by the state board of healing arts who is employed by and is studying at the university of Kansas medical center only when such person is engaged in medical activities which do not include extracurricular, extra-institutional medical service for which such person receives extra compensation and which have not been approved by the dean of the school of medicine and the executive vice-chancellor of the university of Kansas medical center. Persons engaged in residency training shall be considered resident health care providers for purposes of K.S.A. 40-3401 et seq., and amendments thereto; and

(2) a person engaged in a postgraduate training program approved by the state board of healing arts who is employed by a nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine or who is employed by an affiliate of the university of Kansas school of medicine as defined in K.S.A. 76-367, and amendments thereto, only when such person is engaged in medical activities which do not include extracurricular, extra-institutional medical service for which such person receives extra compensation and which have not been approved by the chief operating officer of the nonprofit corporation or the chief operating officer of the affiliate and the executive vice-chancellor of the university of Kansas medical center.

(s) “Full-time physician faculty employed by the university of Kansas medical center” means a person licensed to practice medicine and surgery who holds a full-time appointment at the university of Kansas medical center when such person is providing health care. *A person licensed to practice medicine and surgery who holds a full-time appointment at the university of Kansas medical center may also be employed part-time by the United States department of veterans affairs if such employment is approved by the executive vice-chancellor of the university of Kansas medical center.*

(t) “Sexual act” or “sexual activity” means that sexual conduct which constitutes a criminal or tortious act under the laws of the state of Kansas.

(u) “Board” means the board of governors created by K.S.A. 40-3403, and amendments thereto.

(v) “Board of directors” means the governing board created by K.S.A. 40-3413, and amendments thereto.

(w) “Locum tenens contract” means a temporary agreement not exceeding 182 days per calendar year that employs a health care provider to actively render professional services in this state.

(x) “Professional services” means patient care or other services authorized under the act governing licensure of a health care provider.

(y) “Health care facility” means a nursing facility, an assisted living facility or a residential health care facility as all such terms are defined in K.S.A. 39-923, and amendments thereto.

(z) “Charitable health care provider” means the same as defined in K.S.A. 75-6102, and amendments thereto.

Sec. 3. K.S.A. 2016 Supp. 40-3408 is hereby amended to read as follows: 40-3408. (a) The insurer of a health care provider covered by the fund or self-insurer shall be liable only for the first \$200,000 of a claim for personal injury or death arising out of the rendering of or the failure to render professional services by such health care provider, subject to an annual aggregate of \$600,000 for all such claims against the health care provider. However, if any liability insurance in excess of such amounts is applicable to any claim or would be applicable in the absence of this act, any payments from the fund shall be excess over such amounts paid, payable or that would have been payable in the absence of this act.

(b) If any inactive health care provider has liability insurance in effect which is applicable to any claim or would be applicable in the absence of this act, any payments from the fund shall be excess over such amounts paid, payable or that would have been payable in the absence of this act.

(c) Notwithstanding anything in article 34 of chapter 40 of the Kansas

Statutes Annotated, and amendments thereto, to the contrary, an insurer that provides coverage to a health care provider may exclude from coverage any liability incurred by such provider:

(1) From the rendering of or the failure to render professional services by any other health care provider who is required by K.S.A. 40-3402, and amendments thereto, to maintain professional liability insurance in effect as a condition to rendering professional services as a health care provider in this state; or

(2) based upon or relating to the health care provider's sexual acts or activity, but in such cases the insurer may provide reasonable and necessary expenses for attorney fees incurred in defending against such claim. The insurer may recover all or a portion of such expenses for attorney fees if an adverse judgment is returned against the health care provider for damages resulting from the health care provider's sexual acts or activity.

(d) The fund shall not be liable for payment of any claim excluded by an insurer pursuant to this section or any claim otherwise excluded from coverage under a health care provider's professional liability insurance.

(e) *Notwithstanding any provision of article 34 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, to the contrary, an insurer that provides coverage to a health care provider may exclude from coverage:*

(1) *Any liability incurred by such health care provider as a result of professional services rendered as a charitable health care provider; or*

(2) *any liability incurred by such health care provider that is covered under the federal tort claims act pursuant to chapter 171 of title 28 of the United States code.*

Sec. 4. K.S.A. 2016 Supp. 40-3424 is hereby amended to read as follows: 40-3424. (a) For all claims made on and after July 1, 2014, the amount of fund liability for a judgment or settlement against a resident or nonresident inactive health care provider shall be equal to the minimum professional liability insurance policy limits required pursuant to K.S.A. 40-3402, and amendments thereto, plus the level of coverage selected by the health care provider pursuant to ~~subsection (1)~~ of K.S.A. 40-3403(1), and amendments thereto, at the time of the incident giving rise to a claim. *The aggregate fund liability for all judgments and settlements arising from all claims made in any fiscal year against a resident or nonresident inactive health care provider shall not exceed \$3,000,000 in any fiscal year.*

(b) This section shall be part of and supplemental to the health care provider insurance availability act.

Sec. 5. K.S.A. 2016 Supp. 65-1131 is hereby amended to read as follows: 65-1131. (a) (1) *Licensure.* Upon application to the board by any professional nurse in this state and upon satisfaction of the standards and requirements established by the board under K.S.A. 65-1130, and amendments thereto, the board may issue a license to such applicant authorizing the applicant to perform the duties of an advanced practice registered nurse as defined by the board under K.S.A. 65-1130, and amendments thereto.

(2) The board may issue a license to practice nursing as an advanced practice registered nurse to an applicant who has been duly licensed or certified as an advanced practice registered nurse under the laws of another state or territory if, in the opinion of the board, the applicant meets the licensure qualifications required of an advanced practice registered nurse in this state. Verification of the applicant's licensure or certification status shall be required from the original state of licensure or certification.

(3) An application to the board for a license, a license with temporary permit, renewal of a license and reinstatement of a license shall be upon such form and contain such information as the board may require and shall be accompanied by a fee, to be established by rules and regulations adopted by the board, to assist in defraying the expenses in connection with the issuance of licenses as advanced practice registered nurses, in an amount fixed by the board under K.S.A. 65-1118, and amendments thereto.

(4) An application for initial licensure or endorsement will be held

awaiting completion of meeting qualifications for a time period specified in rules and regulations.

(5) The executive administrator of the board shall remit all moneys received pursuant to this section to the state treasurer as provided by K.S.A. 74-1108, and amendments thereto.

(b) The board may grant a one-time temporary permit to practice as an advanced practice registered nurse for a period of not more than 180 days pending completion of the application for a license.

(c) *Exempt license.* The board may issue an exempt license to any advanced practice registered nurse as defined in rules and regulations who makes written application for such license on a form provided by the board, who remits a fee as established pursuant to K.S.A. 65-1118, and amendments thereto, and who is not regularly engaged in advanced practice registered nursing in Kansas but volunteers advanced practice registered nursing services or is a charitable health care provider as defined by K.S.A. 75-6102, and amendments thereto. Each exempt advanced practice registered nurse shall be subject to all provisions of the nurse practice act. Each exempt license may be renewed biennially subject to the provisions of this section. To convert an exempt license to an active license, the exempt advanced practice registered nurse shall meet all the requirements of subsection (a) or K.S.A. 65-1132, and amendments thereto. *An advanced practice registered nurse who has been granted an exempt license pursuant to this subsection shall be exempt from the requirements of K.S.A. 40-3402 and 40-3404, and amendments thereto.*

(d) *Inactive license.* *The board may issue an inactive license to any advanced practice registered nurse as defined in rules and regulations who makes written application for such license on a form provided by the board, who remits a fee as established pursuant to K.S.A. 65-1118, and amendments thereto, and who is not regularly engaged in advanced practice registered nursing in Kansas. The holder of an inactive license shall not be required to submit evidence of satisfactory completion of a program of continuing education required by K.S.A. 65-1117 and 65-1132, and amendments thereto. An inactive license shall not entitle the holder to engage in advanced practice registered nursing in this state. Each inactive license may be renewed subject to the provisions of this section. An inactive licensee may apply for a license to regularly engage in advanced practice registered nursing upon filing a written reinstatement application with the board. The application shall be on a form provided by the board and shall be accompanied by the license fee established pursuant to K.S.A. 65-1118, and amendments thereto. An applicant for a license to practice as an advanced practice registered nurse who has not been licensed to practice advanced practice registered nursing for five years preceding application shall be required to successfully complete a refresher course as defined by the board. The board shall by rules and regulations establish appropriate continuing education requirements for inactive licensees to become licensed to regularly engage in advanced practice registered nursing in this state. An advanced practice registered nurse who has been granted an inactive license pursuant to this subsection shall be exempt from the requirements of K.S.A. 40-3402 and 40-3404, and amendments thereto.*

(e) The board shall have authority to ~~write~~ adopt rules and regulations to carry out the provisions of this section.

Sec. 6. K.S.A. 2016 Supp. 40-3401, 40-3408, 40-3424 and 65-1131 are hereby repealed.

Sec. 7. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.