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Neutral Testimony regarding SB 290
Senate Financial Institutions and Insurance Committee
Monday, March 22, 2021, 9:30, 546-S

Chairman Longbine and Members of the Committee:

Thank you for the opportunity to offer this testimony today regarding SB 290. I am Clark Shultz, Executive Director of the Health Care Stabilization Fund. I have been with the Fund since December 2018 and was previously the Assistant Insurance Commissioner at the Kansas Department of Insurance.

In 1976, at a time when many physicians and other health care providers found it difficult to purchase affordable professional liability insurance, the legislature enacted the Health Care Provider Insurance Availability Act which created the Stabilization Fund. Currently the Stabilization Fund provides coverage for over 16,000 defined health care providers. During the fiscal year ending June 30, 2020, the Fund closed 524 claim files and paid nearly \$28 million in compensation to those who were injured.

Over the past 45 years, the legislature, the Department of Insurance, and the Board of Governors have made responsible decisions to achieve actuarial integrity and maintain fiscal discipline by honoring the trust status of the Fund. It has assured Kansans a reliable source of recovery when it is determined that compensation should be paid for an unintended medical outcome, and has also assured Kansas health care providers that they will have access to more affordable professional liability insurance coverage. In 2018, Kansas was rated the number 5 state with the least expensive annual malpractice liability insurance rates.

As a state agency we are appreciative of the Kansas Medical Society working with us to add language to insure a smooth transition if this bill becomes law. As you consider the appropriate coverage levels offered to Kansas health care providers and how that relates to adequately protecting the citizens of Kansas, please know that we stand ready to answer any questions you might have about how the Fund operates.

Thank you again for the opportunity to offer these comments.

Jimmie A. Gleason, M.D., Chairman
Craig A. Concannon, M.D.
Joel M. Feder, D.O.
Kiley A. Floyd

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