

**65-6214. Same; payment date for health maintenance organizations; delayed payment schedules; penalties.** (a) The assessment imposed by K.S.A. 2016 Supp. 65-6213, and amendments thereto, for any state fiscal year to which this statute applies shall be due and payable in equal installments on or before June 30 and December 31, commencing with whichever date first occurs after the health maintenance organization has received payments for 150 days after the effective date of the payment methodology approved by the centers for medicare and medicaid services. No installment payment of an assessment under this act shall be due and payable, however, until after:

(1) The health maintenance organization receives written notice from the department that the payment methodologies to health maintenance organizations required under this act have been approved by the centers for medicare and medicaid services of the United States department of health and human services and the state plan amendment for the assessment imposed by K.S.A. 2016 Supp. 65-6213, and amendments thereto, has been granted by the centers for medicare and medicaid services of the United States department of health and human services; and

(2) the health maintenance organization has received payments for 150 days after the effective date of the payment methodology approved by the centers for medicare and medicaid services.

(b) The department is authorized to establish delayed payment schedules for health maintenance organizations that are unable to make installment payments when due under this section due to financial difficulties, as determined by the department.

(c) If a health maintenance organization fails to pay the full amount of an installment when due, including any extensions of time for delayed payment granted under this section, there shall be added to the assessment imposed by K.S.A. 2016 Supp. 65-6213, and amendments thereto, unless waived by the department for reasonable cause, a penalty assessment equal to the lesser of:

(1) An amount equal to 5% of the installment amount not paid on or before the due date plus 5% of the portion thereof remaining unpaid on the last day of each month thereafter; or

(2) an amount equal to 100% of the installment amount not paid on or before the due date.

For purposes of this subsection (c), payments shall be credited first to unpaid installment amounts, rather than to penalty or interest amounts, beginning with the most delinquent installment.

(d) The effective date for the payment methodology applicable to health maintenance organizations approved by the centers for medicare and medicaid services shall be the date of July 1 or January 1, whichever date is designated in the state plan submitted by the department of health and environment for approval by the centers for medicare and medicaid services.

**History:** L. 2004, ch. 89, § 8; L. 2004, ch. 141, § 2; L. 2014, ch. 115, § 274; July 1.