

## SENATE BILL No. 387

By Committee on Financial Institutions and Insurance

2-10

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1 AN ACT concerning the Kansas state employees healthcare commission;  
2 relating to the establishment of new healthcare benefits; plan design,  
3 billing requirements, pricing information; requiring that such benefits  
4 not be covered or affiliated with a health insurer or health benefits plan.  
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6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. (a) (1) The Kansas state employees healthcare commission  
8 shall establish and administer a package of healthcare benefits under this  
9 section that shall be available to individuals who are employees of the  
10 state and who are qualified to participate in the state healthcare benefits  
11 program pursuant to K.S.A. 75-6501, and amendments thereto.

12 (2) The Kansas state employees healthcare commission shall establish  
13 minimum plan design requirements prior to issuing a request for proposals.  
14 Procurement of a vendor or contractor shall be subject to the competitive  
15 bid process established by K.S.A. 75-3739, and amendments thereto.

16 (b) Pursuant to K.S.A. 75-6501, and amendments thereto,  
17 participation of an individual qualified to participate shall be voluntary,  
18 and the cost for the additional benefits established in this section shall be  
19 determined by the commission.

20 (c) The healthcare benefits established by this section shall not be  
21 covered or affiliated with a health insurer or health benefit plan and may  
22 include, but shall not be limited to:

23 (1) Relationship-based care coordination provided by a licensed  
24 registered nurse;

25 (2) mobile applications to provide pharmacy information; and

26 (3) healthcare services delivered via telemedicine by healthcare  
27 providers.

28 (d) In order to provide the healthcare benefits established by this  
29 section, the Kansas state employees healthcare commission, in accordance  
30 with the provisions of K.S.A. 75-6504, and amendments thereto, may  
31 contract to provide healthcare services directly with a healthcare  
32 organization, or such organization's designated representative, to provide  
33 inpatient or outpatient healthcare services on behalf of participant  
34 members of the state employee healthcare benefits program. Any services  
35 provided pursuant to such contract shall be required to meet the provisions  
36 of this section.

1 (e) (1) A healthcare organization, or such organization's designated  
2 representative, may submit a bill directly to the state healthcare benefits  
3 program for payment without submitting the bill through a health insurer  
4 or third-party administrator for services provided to a participant member.  
5 The participant member's insurance provider or third-party payor shall be  
6 required to accept patient files from the healthcare organization, or such  
7 organization's designated representative, to ensure the eligible patient's  
8 deductible status is current and accurate.

9 (2) Bills for healthcare services submitted to the state healthcare  
10 benefits program under a direct contract with a healthcare provider, as  
11 authorized by this section, shall be required to be transparent regarding  
12 pricing and inclusive of all costs applicable to the services billed. For  
13 medical procedures, services shall be billed at a flat rate that shall include  
14 all components integral to the procedure and any services performed prior  
15 to or subsequently following the procedure.

16 (f) (1) The Kansas state employees healthcare commission shall  
17 ensure that pricing information provided by the healthcare organization, or  
18 such organization's designated representative, is made available  
19 electronically or through written documentation to participating members.  
20 A healthcare organization, or such organization's designated  
21 representative, shall update pricing information for services billed to the  
22 state healthcare benefits program in a timely manner, so that materials  
23 utilized to advertise the services to participating members is accurate.

24 (2) (A) A healthcare organization, or such organization's designated  
25 representative, shall include and designate the costs associated with  
26 healthcare services and the costs associated with revenue cycle functions  
27 to result in an aggregate service cost associated with each service.

28 (B) (i) For purposes of this paragraph, "revenue cycle functions"  
29 means certain administrative functions, as determined by the commission,  
30 performed when providing services to a plan member. "Revenue cycle  
31 functions" may include, but shall not be limited to, billing for services  
32 performed, receiving payment from the state healthcare benefits program,  
33 sending files to a third-party administrator as necessary, allowed and  
34 related to the services billed under the contract.

35 (ii) Any additional costs not related to revenue cycle functions or  
36 healthcare services shall not be included in the aggregate service cost but  
37 shall be reported to the state healthcare benefits program.

38 (g) The commission shall adopt all rules and regulations necessary to  
39 implement and administer the provisions of this section. Such rules and  
40 regulations shall be adopted by July 1, 2021.

41 (h) As used in this section:

42 (1) "Designated representative" means an entity with the legal  
43 authority to execute contracts and otherwise act on behalf of a healthcare

1 organization for the provision of healthcare services, including, but not  
2 limited to, management service organizations and independent physician  
3 networks.

4 (2) "Health benefit plan" means the same as defined in K.S.A. 40-  
5 4602, and amendments thereto.

6 (3) "Health insurer" means the same as defined in K.S.A. 40-4602,  
7 and amendments thereto.

8 (4) "Healthcare organization" means any entity delivering healthcare  
9 services, including, but not limited to, physician-owned practices,  
10 hospitals, health systems, rural health clinics, federally qualified health  
11 centers, rehabilitation clinics and infusion clinics.

12 (5) "Healthcare professional" means a physician, licensed physician  
13 assistant, licensed advanced practice registered nurse or person licensed,  
14 registered, certified or otherwise authorized to practice a profession by the  
15 behavioral sciences regulatory board.

16 (6) "Healthcare provider" means the same as defined in K.S.A. 2019  
17 Supp. 40-2,211, and amendments thereto.

18 (7) "Healthcare service" means any medically necessary process  
19 required in the diagnosis or treatment of a patient by a qualified healthcare  
20 professional operating within the scope of the healthcare professional's  
21 licensure.

22 (8) "Telemedicine" means the same as defined in K.S.A. 2019 Supp.  
23 40-2,211, and amendments thereto.

24 Sec. 2. This act shall take effect and be in force from and after its  
25 publication in the statute book.