

2021 Kansas Statutes

40-3213. Fees; disposition of moneys; reporting requirements; payment of estimated fees owed; reconciliation of actual fees owed. (a) Every health maintenance organization and medicare provider organization subject to this act shall pay to the commissioner the following fees:

- (1) For filing an application for a certificate of authority, \$150;
- (2) for filing each annual report, \$50;
- (3) for filing an amendment to the certificate of authority, \$10.

(b) Every health maintenance organization subject to this act shall pay annually to the commissioner at the time such organization files its annual report, a privilege fee in an amount equal to the following percentages of the total of all premiums, subscription charges or any other term that may be used to describe the charges made by such organization to enrollees: 3.31% during the reporting period beginning January 1, 2015, and ending December 31, 2017; and 5.77% on and after January 1, 2018. In such computations all such organizations shall be entitled to deduct therefrom any premiums or subscription charges returned on account of cancellations and dividends returned to enrollees. If the commissioner shall determine at any time that the application of the privilege fee, or a change in the rate of the privilege fee, would cause a denial of, reduction in or elimination of federal financial assistance to the state or to any health maintenance organization subject to this act, the commissioner is hereby authorized to terminate the operation of such privilege fee or the change in such privilege fee.

(c) For the purpose of insuring the collection of the privilege fee provided for by subsection (b), every health maintenance organization subject to this act and required by subsection (b) to pay such privilege fee shall at the time it files its annual report, as required by K.S.A. 40-3220, and amendments thereto, make a return, generated by or at the direction of its chief officer or principal managing director, under penalty of K.S.A. 2021 Supp. 21-5824, and amendments thereto, to the commissioner, stating the amount of all premiums, assessments and charges received by the health maintenance organization, whether in cash or notes, during the year ending on the last day of the preceding calendar year. Upon the receipt of such returns the commissioner of insurance shall verify such returns and reconcile the fees pursuant to subsection (f) upon such organization on the basis and at the rate provided in this section.

(d) Premiums or other charges received by an insurance company from the operation of a health maintenance organization subject to this act shall not be subject to any fee or tax imposed under the provisions of K.S.A. 40-252, and amendments thereto.

(e) Fees charged under this section shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the medical assistance fee fund created by K.S.A. 40-3236, and amendments thereto.

(f) (1) On and after January 1, 2018, in addition to any other filing or return required by this section, each health maintenance organization shall submit a report to the commissioner on or before March 31 and September 30 of each year containing an estimate of the total amount of all premiums, subscription charges or any other term that may be used to describe the charges made by such organization to enrollees that the organization expects to collect during the current calendar year. Upon filing each March 31 report, the organization shall submit payment equal to ½ of the privilege fee that would be assessed by the commissioner for the current calendar year based upon the organization's reported estimate. Upon filing each September 30 report, the organization shall submit payment

equal to the balance of the privilege fee that would be assessed by the commissioner for the current calendar year based upon the organization's reported estimates.

(2) Any amount of privilege fees actually owed by a health maintenance organization during any calendar year in excess of estimated privilege fees paid shall be assessed by the commissioner and shall be due and payable upon issuance of such assessment.

(3) Any amount of estimated privilege fees paid by a health maintenance organization during any calendar year in excess of privilege fees actually owed shall be reconciled when the commissioner assesses privilege fees in the ensuing calendar year. The commissioner shall credit such excess amount against future privilege fee assessments. Any such excess amount paid by a health maintenance organization that is no longer doing business in Kansas and that no longer has a duty to pay the privilege fee shall be refunded by the commissioner from funds appropriated by the legislature for such purpose.

History: L. 1974, ch. 181, § 13; L. 1980, ch. 140, § 1; L. 1998, ch. 174, § 21; L. 2001, ch. 5, § 124; L. 2007, ch. 122, § 5; L. 2010, ch. 81, § 1; L. 2011, ch. 30, § 179; L. 2015, ch. 98, § 3; L. 2017, ch. 94, § 4; July 1.