



# Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

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## TESTIMONY ON HB 2486

### HOUSE INSURANCE COMMITTEE February 1, 2012

Chairman and Members of the Committee:

I am Kris Kellim with the Kansas Insurance Department. Thank you for the opportunity to testify in support of HB 2486.

HB 2486 increase the minimum number of years within which the Department must make an examination of each health maintenance organization or medicare provider organization and providers with whom such organization has contracts, agreements, or other arrangements. Currently, the Department must examine each of these organizations at least once every three years. This amendment would increase the minimum exam requirement for HMOs and medicare providers to at least once every five years.

The Department is seeking this change to provide parity among Kansas companies regarding the minimum exam requirement. We do not believe there currently is a specific need to examine HMOs more frequently than other insurance companies. In addition, HMOs, like other insurance companies, bear the expense of examinations. Increasing the minimum frequency of exams will lower the number of exams required over time. This will lower the regulatory burden on HMOs and save them money in the long run.

For these reasons, we would ask the Committee to recommend HB 2486 favorable for passage.

Thank you for the opportunity to appear in support of this bill. I will be happy to stand for questions at the appropriate time.

Kris Kellim  
Government Affairs Liaison  
Kansas Insurance Department