

40-22a07. Same; unlawful acts; penalties; prior notification requirements, limitations on. (a) (1) It is unlawful for any person or utilization review organization to perform utilization review activities in this state except in accordance with this act.

(2) No utilization review organization nor any individual performing utilization review activities may agree to be compensated or receive compensation which is contingent in any way upon frequency of certification denials, costs avoided by denial or reduction in payment of claims or other results which may be adverse to the needs of the patient as determined by the attending health care provider.

(3) (A) A utilization review organization may establish prior notification requirements for inpatient and outpatient hospital admissions. A utilization review organization shall not require notification sooner than the next business day after any inpatient admission occurring on a weekend or holiday or any urgent or emergent inpatient or outpatient admission regardless of when the patient presents for services.

(B) For the purposes of this paragraph, a patient that is unstable or uncommunicative shall not be deemed to have presented to a health care facility until the patient is able to provide insurance information and the health care facility is permitted under state and federal law to inquire about insurance coverage.

(b) A utilization review organization may not reduce or deny payment to a provider for such provider's failure to comply with any utilization review organization's policy that conflicts with this act or any rules and regulations adopted pursuant to K.S.A. 40-22a11, and amendments thereto.

(c) When the commissioner has reason to believe a utilization review organization subject to this act has been or is engaged in any conduct which violates this act or any rules and regulations adopted pursuant to K.S.A. 40-22a11, the commissioner, after a hearing conducted in accordance with the Kansas administrative procedure act, may:

(1) Issue and cause to be served upon the utilization review organization an order requiring such organization to cease and desist from engaging in such violations;

(2) suspend or revoke the utilization review organization's certificate to perform utilization review affecting residents of this state;

(3) assess a monetary penalty of not less than \$500 and not more than \$1,000 for each violation; or

(4) apply any combination of the above provisions as the commissioner, by written order, deems appropriate.

History: L. 1994, ch. 238, § 7; L. 2008, ch. 134, § 7; July 1.