Session of 2025

HOUSE BILL No. 2367

By Committee on Health and Human Services

Requested by Kevin Barone on behalf of the Kansas Naturopathic Doctors Association

2-7

AN ACT concerning health and healthcare; relating to naturopathic doctors; providing naturopathic doctors a certificate of authorization for a business entity to practice medicine; amending K.S.A. 17-2710 and K.S.A. 2024 Supp. 65-28,134 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 17-2710 is hereby amended to read as follows: 17-2710. A professional corporation may be organized only for the purpose of rendering one type of professional service and service ancillary thereto and shall not engage in any other business, except that a single professional corporation may be organized to and render professional services under any two or more of the types set forth in ~~items (2), (6), (13) and (17) of subsection (b) of~~ K.S.A. 17-2707*(b)(2), (6), (13) and (17)*, and amendments thereto~~;~~, under any two or more of the types set forth in ~~items (4), (5), (7), (8), (9), (11), (12), (14), (15), (16), (18), (20), (22), (23), (26) or (27) of subsection (b) of~~ K.S.A. 17-2707*(b)(4), (5), (7), (8), (9), (11), (12), (14), (15), (16), (18), (20), (22), (23), (26), (27) and (28)*, and amendments thereto~~;~~, under any two or more of the types set forth in ~~items (8), (9), (18), (24), (25), (26) and (27) of subsection (b) of~~ K.S.A. 17-2707*(b)(8), (9), (18), (24), (25), (26), (27) and (28)*, and amendments thereto~~;~~, or under the types set forth in ~~items (16) and (25) of subsection (b) of~~ K.S.A. 17-2707*(b)(16) and (25)*, and amendments thereto, but shall be deemed to have the following purposes, whether or not authorized by its article of incorporation:

(a) To purchase, receive, lease, or otherwise acquire, own, hold, improve, use and otherwise deal in and with, real or personal property, or any interest therein, wherever situated;

(b) to purchase, receive, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares of other interests in, or obligations of, other domestic or foreign corporations, associations, partnerships or individuals, insurance or annuities in any form, or direct or indirect obligations of the United States or of any other government, state, territory, governmental district or municipality or of any instrumentality

thereof;

(c) to pay pensions and establish pension plans, profit-sharing plans, stock bonus plans, stock option plans and other incentive plans for any or all of its directors, officers and employees;

(d) to do all things necessary or incidental to the practice of the profession ~~which~~ *that* the professional corporation is authorized to practice.

Sec. 2. K.S.A. 2024 Supp. 65-28,134 is hereby amended to read as follows: 65-28,134. (a) Notwithstanding any other provision of law, a business entity issued a certificate of authorization by the board may employ or contract with one or more licensees of the board for the purpose of providing professional services for which such licensees hold a valid license issued by the board. Nothing in the Kansas healing arts act shall be construed to prohibit a licensee from being employed by or under contract to provide professional services for a business entity granted a certificate of authorization pursuant to this section. Medical care facilities, as defined by K.S.A. 65-425, and amendments thereto, that are in compliance with department of health and environment licensure requirements are exempt from the provisions of this section. Nothing contained herein shall be construed to allow a corporation to practice optometry or dentistry, except as otherwise provided in K.S.A. 17-2706, and amendments thereto.

(b) (1) A business entity may apply to the state board of healing arts for a certificate of authorization, on a form and in a manner prescribed by the state board of healing arts, and shall include the following information:

(A) The name of the business entity;

(B) a list of the names of the owners and officers of the business entity;

(C) a description of the apportionment of liability of all partners or owners, if the business entity is organized as a limited partnership or a limited liability company;

(D) a list of each responsible official if the business entity is organized as a governmental unit; and

(E) a list of all licensed physicians ~~and~~, chiropractors *and naturopathic doctors* to be hired by the business entity.

(2) As a condition of certification, a business entity shall be required to provide the state board of healing arts evidence of the following:

(A) The address of the business entity;

(B) a city or county occupational license; and

(C) licensure of all physicians ~~and~~, chiropractors *and naturopathic doctors* to be employed by the business entity.

(3) A business entity applying for certification shall remit a fee set by the state board of healing arts through rules and regulations, not to exceed $1,000.

(c) (1) If the state board of healing arts finds that such business entity is in compliance with all of the requirements of this section, the state board of healing arts shall issue a certificate of authorization to such business entity designating the business entity as authorized to employ individuals licensed to practice medicine and surgery ~~or,~~ chiropractic *or naturopathy*, as applicable.

(2) A certificate of authorization shall be renewed annually and accompanied by a fee to be fixed by the state board of healing arts. The renewal fee shall be accompanied by a form prescribed by the state board of healing arts.

(d) Except as provided in K.S.A. 40-3403, and amendments thereto, no business entity issued a certificate of authorization under this section shall be relieved of responsibility for the conduct or acts of its agents or employees by reason of its compliance with the provisions of this section, nor shall any individual licensed to practice the healing arts be relieved of responsibility and liability for services performed by reason of employment or relationship with such business entity. Nothing in this section shall exempt any business entity from the provisions of any other law applicable to the business entity.

(e) A business entity issued a certificate of authorization under this section shall not:

(1) In any manner, directly or indirectly, interfere with, diminish, restrict, substitute its judgment for or otherwise exercise control over the independent professional judgment and decisions of its employed licensees as it relates to the care of patients; or

(2) prohibit or restrict any employed licensee from discussing with or disclosing to any patient or other individual any medically appropriate healthcare information that such licensee deems appropriate regarding the nature of treatment options, the risks or alternatives thereto, the process used or the decision made by the business entity to approve or deny healthcare services, the availability of alternate therapies, consultations or tests, or from advocating on behalf of the patient.

(f) As used in this section:

(1) (A) "Business entity" means an employer located in Kansas that utilizes electronic medical records and offers medicine and surgery ~~or,~~ chiropractic *or naturopathy* services solely for its employees and the dependents of such employees at the employer's work site~~;~~*,* an organization that is licensed to sell accident and sickness insurance in the state ~~that~~ *and* is also a mutual or non-profit health carrier that utilizes electronic medical records, or a wholly owned subsidiary of such organization that provides medical services solely for the organization's enrollees and dependents of such enrollees~~;~~*,* or an information technology company that designs, utilizes and provides electronic medical records for

businesses and worksite medical clinics for employers located in Kansas and offers medicine and surgery ~~or~~, chiropractic *or naturopathy* services solely to its employees and the dependents of such employees at the employer's work sites in Kansas.

(B) "Business entity" does not include medical care facilities under K.S.A. 65-425, and amendments thereto, corporations licensed under K.S.A. 40-3214, and amendments thereto, and professional corporations organized pursuant to the professional corporation law of Kansas.

(2) "Physician" means a person licensed by the state board of healing arts to practice medicine and surgery.

(3) "Licensee" means a person licensed by the state board of healing arts to practice medicine and surgery ~~or~~, chiropractic *or naturopathy* and whose license is in a full active status and has not been revoked, suspended, limited or placed under probationary conditions.

(g) A business entity's certificate of authorization may be revoked, suspended or limited~~, may be~~ *or* publicly censured or placed under probationary conditions, or an application for a certificate or for reinstatement of a certificate may be denied upon a finding of the existence of any of the following grounds:

(1) The business entity has committed fraud or misrepresentation in applying for or securing an original, renewal or reinstated certificate.

(2) The business entity has willfully or repeatedly violated this act, the pharmacy act of the state of Kansas or the uniform controlled substances act or any rules and regulations adopted pursuant thereto, or any rules and regulations of the secretary of health and environment that are relevant to the practice of the healing arts.

(3) The business entity has had a certificate, or equivalent authorization, to employ licensees to practice the healing arts revoked, suspended or limited, has been censured or has had other disciplinary action taken or has had an application for a certificate or license denied~~,~~ by the proper licensing authority of another state.

(4) The business entity has violated any lawful rule and regulation promulgated by the board.

(5) The business entity has failed to report or reveal the knowledge required to be reported or revealed under K.S.A. 65-28,122, and amendments thereto.

(6) The business entity has failed to report to the board any adverse action taken against the business entity by another state or licensing jurisdiction, a governmental agency~~, by~~ a law enforcement agency or a court for acts or conduct similar to acts or conduct that would constitute grounds for disciplinary action under this section.

(7) The business entity has engaged in conduct likely to deceive, defraud or harm the public.

(8) The business entity has engaged in conduct that violates patient trust and exploits the licensee-patient relationship for corporate gain.

(9) The business entity has used any false, fraudulent or deceptive statement in any document connected with the practice of the healing arts, including the intentional falsifying or fraudulent altering of a patient healthcare record.

(10) The business entity has failed to furnish to the board, or its investigators or representatives, any information legally requested by the board.

(11) The business entity has had, or failed to report to the board, any adverse judgment, award or settlement against the business entity resulting from a medical liability claim related to acts or conduct similar to acts or conduct that would constitute grounds for disciplinary action under this section.

(12) The business entity has been convicted of a felony or class A misdemeanor, or substantially similar offense in another jurisdiction, related to the practice of the healing arts.

(h) The state board of healing arts shall adopt all rules and regulations as necessary to implement and administer the provisions of this section.

(i) For the purposes of determining the impact on the healthcare stabilization fund of requiring business entities to comply with the provisions of the healthcare provider insurance availability act, the healthcare stabilization fund is hereby directed to conduct such ~~acturarial~~ *actuarial* and operational studies as are necessary to determine such impact~~,~~ and ~~to~~ report the findings to the legislature on or before January 1, 2020.

(j) This section shall be a part of and supplemental to the Kansas healing arts act.

~~(k) The provisions of this section shall take effect on and after March 1, 2020.~~

Sec. 3. K.S.A. 17-2710 and K.S.A. 2024 Supp. 65-28,134 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.