

SENATE BILL No. 165

By Committee on Financial Institutions and Insurance

2-1

9 AN ACT concerning health insurance; relating to abuse of health
10 insurance.

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

13 Section 1. (a) Except as provided in section 2, and amendments
14 thereto, any provider commits abuse of health insurance, if, as a regular
15 business practice:

16 (1) (A) Such provider knowingly accepts from any third-party payor,
17 as payment in full for services rendered, the amount the third-party
18 covers; or

19 (B) such provider submits a fee to a third-party payor which is higher
20 than the fee such provider has agreed to accept from the insured with
21 the understanding of waiving the required deductible, co-payment, out-
22 of-provider network penalty or other similar patient financial liability; and

23 (2) the effect of either business practice specified in paragraph (1) is
24 to eliminate the need for payment by the insured of any required de-
25 ductible, co-payment, out-of-network penalty or other similar patient fi-
26 nancial liability applicable in the insured's health benefit plan.

27 (b) Abuse of health insurance is an unclassified misdemeanor.

28 Sec. 2. Notwithstanding the provisions of section 1, and amendments
29 thereto, a provider may waive any required deductible, co-payment, out-
30 of-provider network penalty or other similar patient financial liability for
31 charitable purposes if:

32 (a) The provider who provides the health care determines that the
33 services are necessary for the immediate health and welfare of the
34 insured;

35 (b) the waiver is made on a case-by-case basis and the provider de-
36 termines that payment of the deductible, co-payment, out-of-provider
37 network penalty or other similar patient financial liability would create a
38 substantial financial hardship for the insured; and

39 (c) the waiver is not a regular business practice of the provider.

40 Sec. 3. The following provider shall be presumed to be waiving the
41 deductible, co-payment, out-of-provider network penalty or other similar
42 patient financial liability as a regular business practice:

43 (a) Any provider who provides health care and who waives the de-

1 ductible, co-payment, out-of-provider network penalty or other similar
2 patient financial liability, excluding waivers under section 2, and amend-
3 ments thereto, for more than $\frac{1}{10}$ of such provider's patients during any
4 calendar year; or

5 (b) any provider who advertises that such provider will accept from
6 any third-party payor the amount the third-party payor covers as payment
7 in full for services rendered.

8 Sec. 4. The following payments are exempt from the provisions of
9 this act:

10 (a) Any payment made pursuant to federal medicare laws; or

11 (b) any payment made to the provider according to a contract or
12 agreement between an employer and employee which requires a third-
13 party payor to pay the full amount for health care services.

14 Sec. 5. For the purposes of this act: (a) "Health benefit plan" shall
15 have the meaning ascribed to it in K.S.A. 40-4602 and amendments
16 thereto.

17 (b) "Provider" shall have the meaning ascribed to it in K.S.A. 40-4602
18 and amendments thereto.

19 (c) "Provider network" shall have the meaning ascribed to it in K.S.A.
20 40-4602 and amendments thereto.

21 Sec. 6. This act shall take effect and be in force from and after its
22 publication in the statute book.