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Senate Committee on Public Health and Welfare
Neutral Testimony regarding Senate Bill No. 41
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Thank you, Chairman Gossage and Members of the Committee:

I am Clark Shultz, and have been the Executive Director of the Health Care Stabilization Fund since 2018. I was previously the Assistant Insurance Commissioner at the Kansas Department of Insurance.

In 1976, at a time when many health care providers found it difficult to purchase affordable professional liability insurance, the legislature enacted the Health Care Provider Insurance Availability Act. The law requires that all defined health care providers maintain professional liability insurance and it created the Health Care Stabilization Fund to provide supplemental coverage above the primary coverage purchased by health care providers.

Currently the Stabilization Fund provides coverage for 20,985 health care providers who serve the health care needs of Kansans. The highest surcharge rate last year for a health care provider was \$10,006 for coverage of \$500,000 per claim. The lowest surcharge rate was \$200, largely used by non-resident providers who provide minimum health care services in Kansas. During the fiscal year ending June 30, 2024, the Fund was able to close 503 claim files and paid over \$36,740,000 in compensation.

S.B. 41 would amend state statute to add advanced practice registered nurses to the definition of Health Care Providers. This would both allow and require them to participate in the Fund. The Board of Governors of the Health Care Stabilization Fund stand ready to implement this new definition should this bill be passed by the legislature.

Over the past 49 years, the Kansas Legislature, the Department of Insurance, and the Board of Governors have made responsible decisions to achieve actuarial integrity, maintain fiscal discipline, and to honor the trust status of the Fund. This has assured Kansans a reliable source of recovery when it is determined that compensation should be paid for an unintended medical outcome. It has also assured Kansas health care providers that they will have access to more affordable professional liability insurance coverage. These responsible decisions have resulted in Kansas consistently being rated in the top five of the states with the least expensive annual malpractice liability insurance rates.

Thank you again for the opportunity to speak with you today.

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