

March 1, 2012

The Honorable Ruth Teichman, Chairperson  
Senate Committee on Financial Institutions and Insurance  
Statehouse, Room 236-E  
Topeka, Kansas 66612

Dear Senator Teichman:

**SUBJECT:** Fiscal Note for SB 382 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 382 is respectfully submitted to your committee.

SB 382 would prohibit health insurers from including contract provisions that would give the insurer an option to prohibit a provider from contracting with another health insurer to accept a lower rate of reimbursement. The bill would also prohibit provisions that would give the insurer the option to force the provider to accept a lower reimbursement than is specified in the contract if that provider has a lower contracted rate with another insurer. Finally, the bill would prohibit contract clauses that require the provider to disclose their contracted rate with other health insurers.

SB 382 would prevent insurance carriers from negotiating for the lowest rate of provider reimbursement. This could increase health insurance expenditures for any government, including the State of Kansas, that purchases health insurance for its employees. Any fiscal effect associated with SB 382 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA  
Director of the Budget

cc: Aaron Dunkel, KDHE  
Zac Anshutz, Insurance