

**SENATE BILL No. 327**

By Committee on Public Health and Welfare

1-28

1 AN ACT concerning health and healthcare; naturopathic doctors;  
2 providing for a certificate of authorization for a business entity to  
3 practice medicine; amending K.S.A. 17-2710 and K.S.A. 2019 Supp.  
4 65-28,134 and repealing the existing sections.

5  
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 17-2710 is hereby amended to read as follows: 17-  
8 2710. A professional corporation may be organized only for the purpose of  
9 rendering one type of professional service and service ancillary thereto and  
10 shall not engage in any other business, except that a single professional  
11 corporation may be organized to and render professional services under  
12 any two or more of the types set forth in ~~items (2), (6), (13) and (17) of~~  
13 ~~subsection (b) of~~ K.S.A. 17-2707(b)(2), (6), (13) and (17), and  
14 amendments thereto; under any two or more of the types set forth in ~~items~~  
15 ~~(4), (5), (7), (8), (9), (11), (12), (14), (15), (16), (18), (20), (22), (23), (26)~~  
16 ~~or (27) of subsection (b) of~~ K.S.A. 17-2707(b)(4), (5), (7), (8), (9), (11),  
17 (12), (14), (15), (16), (18), (20), (22), (23), (26), (27) or (28), and  
18 amendments thereto; under any two or more of the types set forth in ~~items~~  
19 ~~(8), (9), (18), (24), (25), (26) and (27) of subsection (b) of~~ K.S.A. 17-  
20 2707(b)(8), (9), (18), (24), (25), (26), (27) and (28), and amendments  
21 thereto; or under the types set forth in ~~items (16) and (25) of subsection (b)~~  
22 ~~of~~ K.S.A. 17-2707(b)(16) and (25), and amendments thereto, but shall be  
23 deemed to have the following purposes, whether or not authorized by its  
24 article of incorporation:

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

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

36 (c) to pay pensions and establish pension plans, profit-sharing plans,

1 stock bonus plans, stock option plans and other incentive plans for any or  
2 all of its directors, officers and employees;

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

6 Sec. 2. K.S.A. 2019 Supp. 65-28,134 is hereby amended to read as  
7 follows: 65-28,134. (a) Notwithstanding any other provision of law, a  
8 business entity issued a certificate of authorization by the board may  
9 employ or contract with one or more licensees of the board for the purpose  
10 of providing professional services for which such licensees hold a valid  
11 license issued by the board. Nothing in the Kansas healing arts act shall be  
12 construed to prohibit a licensee from being employed by or under contract  
13 to provide professional services for a business entity granted a certificate  
14 of authorization pursuant to this section. Medical care facilities, as defined  
15 by K.S.A. 65-425, and amendments thereto, that are in compliance with  
16 department of health and environment licensure requirements are exempt  
17 from the provisions of this section. Nothing contained herein shall be  
18 construed to allow a corporation to practice optometry or dentistry, except  
19 as otherwise provided in K.S.A. 17-2706, and amendments thereto.

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

23 (A) The name of the business entity;

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

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

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

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

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

35 (A) The address of the business entity;

36 (B) a city or county occupational license; and

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

39 (3) A business entity applying for certification shall remit a fee set by  
40 the state board of healing arts through rules and regulations, not to exceed  
41 \$1,000.

42 (c) (1) If the state board of healing arts finds that such business entity  
43 is in compliance with all of the requirements of this section, the state board

1 of healing arts shall issue a certificate of authorization to such business  
2 entity designating the business entity as authorized to employ individuals  
3 licensed to practice medicine and surgery-~~or~~, chiropractic *or naturopathy*,  
4 as applicable.

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

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

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

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

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

31 (f) As used in this section:

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

1 employees and the dependents of such employees at the employer's work  
2 sites in Kansas.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 ~~(k) The provisions of this section shall take effect on and after March~~  
27 ~~1, 2020.~~

28 Sec. 3. K.S.A. 17-2710 and K.S.A. 2019 Supp. 65-28,134 are hereby  
29 repealed.

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