



**KANSAS
INSURANCE
DEPARTMENT**

Vicki Schmidt, Commissioner

Proponent Testimony for SB 26 – Eliminating and clarifying confusing requirements concerning Health Maintenance Organization financial projections

January 25, 2023

Chairman Longbine and Members of the Committee,

Thank you for the opportunity to testify in support of Senate Bill 26.

Senate Bill 26 proposes to amend K.S.A. 40-3203, concerning health maintenance organizations (HMOs), and the financial requirements to receive a certificate of authority in the state of Kansas.

Current statutes require the three-year financial projection documents to include:

- Complex monthly statements of revenue and expenses for the first year.
- Quarterly statements of revenue and expenses for subsequent years.
- Quarterly balance sheet.
- A statement and justification of assumptions.

The Kansas Insurance Department receives inquiries about this statute regularly from HMOs applying for a certificate of authority. Senate Bill 26 simplifies and clarifies these financial projection requirements by changing to annual statements rather than various monthly and quarterly statements. This change will provide HMOs a more streamlined and less burdensome approach as they seek to transact business in Kansas.

Thank you for the opportunity to submit testimony in support of Senate Bill 26.

Eric Turek
Director of Government and Public Affairs