

ECONOMIC IMPACT STATEMENT

Regulation Number: 129-5-10 through 129-5-21

Regulation Name: Prompt Payment Regulations

Summary of Proposed Changes: HB 2552, passed in the 2014 session of the Legislature, signed by the Governor, and now codified in statute at K.S.A. 39-709f, requires the KanCare MCOs to pay claims promptly or be subject to a lawsuit for interest on unpaid claims brought by providers. The statute expressly provides that KDHE will promulgate regulations that implement the statute. These regulations are intended to fulfill this statutory requirement.

Federal Mandate: This regulation change is not federally mandated.

Economic Impact: These regulations are expected to have no economic impact on the State. The economic impact on providers and MCOs will depend on the timeliness of the MCOs' payments to providers. Based on the timeliness reporting provided by the MCOs, using actuals data available for calendar year 2014, it is estimated that the interest on the late payment of claims would be approximately \$51,000 per year.

Bearer of Cost: KanCare managed care organizations.

Affected Parties: KanCare managed care organizations (MCOs); providers who have entered into participating provider agreements with the MCOs.

Other Methods: As these regulations are required by state statute (K.S.A. 39-709f), there are no other appropriate methods for the desired outcome.