

HOUSE BILL No. 2312

By Committee on Insurance

2-12

1 AN ACT concerning ~~the Kansas uninsurable health insurance plan act;~~  
2 ~~pertaining to the lifetime limit; amending K.S.A. 2012 Supp. 40-2124~~  
3 ~~local governments; relating to the investment of idle funds; amending~~  
4 ~~K.S.A. 2013 Supp. 12-1675~~ and repealing the existing section.

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

7 Section 1. ~~K.S.A. 2012 Supp. 40-2124 is hereby amended to read as~~  
8 ~~follows: 40-2124. (a) Coverage under the plan shall be subject to both~~  
9 ~~deductible and coinsurance provisions set by the board. The plan shall~~  
10 ~~offer to current participants and new enrollees no fewer than four choices~~  
11 ~~of deductible and copayment options. Coverage shall contain a~~  
12 ~~coinsurance provision for each service covered by the plan, and such~~  
13 ~~copayment requirement shall not be subject to a stop-loss provision. Such~~  
14 ~~coverage may provide for a percentage or dollar amount of coinsurance~~  
15 ~~reduction at specific thresholds of copayment expenditures by the insured.~~

16 (b) ~~Coverage under the plan shall be subject to a maximum lifetime~~  
17 ~~benefit of \$3,000,000 \$4,000,000 per covered individual.~~

18 (c) ~~Coverage under the plan shall exclude charges or expenses~~  
19 ~~incurred during the first 90 days following the effective date of coverage~~  
20 ~~as to any condition:~~

21 (1) ~~Which manifested itself during the six-month period immediately~~  
22 ~~prior to the application for coverage in such manner as would cause an~~  
23 ~~ordinarily prudent person to seek diagnosis, care or treatment; or~~

24 (2) ~~for which medical advice, care or treatment was recommended or~~  
25 ~~received in the six-month period immediately prior to the application for~~  
26 ~~coverage. In succeeding years of operation of the plan, coverage of~~  
27 ~~preexisting conditions may be excluded as determined by the board, except~~  
28 ~~that no such exclusion shall exceed 180 calendar days, and no exclusion~~  
29 ~~shall be applied to either a federally defined eligible individual provided~~  
30 ~~that application for coverage is made not later than 63 days following the~~  
31 ~~applicant's most recent prior creditable coverage or an individual under the~~  
32 ~~age of 19 years who is eligible for enrollment in the plan under paragraph~~  
33 ~~(3) of subsection (b) of K.S.A. 40-2122, and amendments thereto. For any~~  
34 ~~individual who is eligible for the credit for health insurance costs under~~  
35 ~~section 35 of the internal revenue code of 1986, the preexisting conditions~~  
36 ~~limitation will not apply whenever such individual has maintained~~

1 ~~creditable health insurance coverage for an aggregate period of three~~  
2 ~~months, not counting any period prior to a 63-day break in coverage, as of~~  
3 ~~the date on which such individual seeks to enroll in coverage provided by~~  
4 ~~this act.~~

5 ~~(d) (1) Benefits otherwise payable under plan coverage shall be~~  
6 ~~reduced by all amounts paid or payable through any other health~~  
7 ~~insurance, or insurance arrangement, and by all hospital and medical~~  
8 ~~expense benefits paid or payable under any workers compensation~~  
9 ~~coverage, automobile medical payment or liability insurance whether~~  
10 ~~provided on the basis of fault or nonfault, and by any hospital or medical~~  
11 ~~benefits paid or payable under or provided pursuant to any state or federal~~  
12 ~~law or program.~~

13 ~~(2) The association shall have a cause of action against an eligible~~  
14 ~~person for the recovery of the amount of benefits paid which are not~~  
15 ~~covered expenses. Benefits due from the plan may be reduced or refused~~  
16 ~~as a set-off against any amount recoverable under this section.~~

17 *Section 1. K.S.A. 2013 Supp. 12-1675 is hereby amended to read as*  
18 *follows: 12-1675. (a) The governing body of any county, city, township,*  
19 *school district, area vocational-technical school, community college,*  
20 *firemen's relief association, community mental health center,*  
21 *community facility for people with intellectual disability or any other*  
22 *governmental entity, unit or subdivision in the state of Kansas having*  
23 *authority to receive, hold and expend public moneys or funds may invest*  
24 *any moneys which are not immediately required for the purposes for*  
25 *which the moneys were collected or received, and the investment of*  
26 *which is not subject to or regulated by any other statute.*

27 *(b) Such moneys shall be invested only:*

28 *(1) In temporary notes or no-fund warrants issued by such*  
29 *investing governmental unit;*

30 *(2) in savings deposits, demand deposits, time deposit, open*  
31 *accounts, certificates of deposit or time certificates of deposit with*  
32 *maturities of not more than two years: (A) In banks, savings and loan*  
33 *associations and savings banks, which have main or branch offices*  
34 *located in such investing governmental unit; or (B) if no main or branch*  
35 *office of a bank, savings and loan association or savings bank is located*  
36 *in such investing governmental unit, then in banks, savings and loan*  
37 *associations and savings banks, which have main or branch offices in*  
38 *the county or counties in which all or part of such investing*  
39 *governmental unit is located;*

40 *(3) in repurchase agreements with: (A) Banks, savings and loan*  
41 *associations and savings banks, which have main or branch offices*  
42 *located in such investing governmental unit, for direct obligations of, or*  
43 *obligations that are insured as to principal and interest by, the United*

1 *States government or any agency thereof; or (B) (i) if no main or branch*  
2 *office of a bank, savings and loan association or savings bank, is located*  
3 *in such investing governmental unit; or (ii) if no such bank, savings and*  
4 *loan association or savings bank having a main or branch office located*  
5 *in such investing governmental unit is willing to enter into such an*  
6 *agreement with the investing governmental unit at an interest rate equal*  
7 *to or greater than the investment rate, as defined in subsection (g) of*  
8 *K.S.A. 12-1675a, and amendments thereto, then such repurchase*  
9 *agreements may be entered into with banks, savings and loan*  
10 *associations or savings banks which have main or branch offices in the*  
11 *county or counties in which all or part of such investing governmental*  
12 *unit is located; or (C) if no bank, savings and loan association or*  
13 *savings bank, having a main or branch office in such county or counties*  
14 *is willing to enter into such an agreement with the investing*  
15 *governmental unit at an interest rate equal to or greater than the*  
16 *investment rate, as defined in subsection (g) of K.S.A. 12-1675a, and*  
17 *amendments thereto, then such repurchase agreements may be entered*  
18 *into with banks, savings and loan associations or savings banks located*  
19 *within this state;*

20 *(4) in ~~United States treasury bills or notes~~ direct obligations of or*  
21 *obligations that are insured as to principal and interest by the United*  
22 *States or any agency thereof, not including mortgage-backed securities*  
23 *with maturities as the governing body shall determine, but not exceeding*  
24 *two years. Such investment transactions shall only be conducted with*  
25 *banks, savings and loan associations and savings banks; the federal*  
26 *reserve bank of Kansas City, Missouri; or with primary government*  
27 *securities dealers which report to the market report division of the*  
28 *federal reserve bank of New York, or any broker-dealer engaged in the*  
29 *business of selling government securities which is registered in*  
30 *compliance with the requirements of section 15 or 15C of the securities*  
31 *exchange act of 1934 and registered pursuant to K.S.A. 17-12a401, and*  
32 *amendments thereto;*

33 *(5) in the municipal investment pool fund established in K.S.A. 12-*  
34 *1677a, and amendments thereto;*

35 *(6) in the investments authorized and in accordance with the*  
36 *conditions prescribed in K.S.A. 12-1677b, and amendments thereto;*

37 *(7) in multiple municipal client investment pools managed by the*  
38 *trust departments of banks which have main or branch offices located in*  
39 *the county or counties where such investing governmental unit is located*  
40 *or with trust companies incorporated under the laws of this state which*  
41 *have contracted to provide trust services under the provisions of K.S.A.*  
42 *9-2107, and amendments thereto, with banks which have main or*  
43 *branch offices located in the county or counties in which such investing*

1 *governmental unit is located. Public moneys invested under this*  
2 *paragraph shall be secured in the same manner as provided for under*  
3 *K.S.A. 9-1402, and amendments thereto. Pooled investments of public*  
4 *moneys made by trust departments under this paragraph shall be subject*  
5 *to the same terms, conditions and limitations as are applicable to the*  
6 *municipal investment pool established by K.S.A. 12-1677a, and*  
7 *amendments thereto; or*

8 *(8) municipal bonds or other obligations issued by any municipality*  
9 *of the state of Kansas as defined in K.S.A. 10-1101, and amendments*  
10 *thereto, which are general obligations of the municipality issuing the*  
11 *same.*

12 *(c) The investments authorized in paragraphs (4), (5), (6), (7) or (8)*  
13 *of subsection (b) shall be utilized only if the banks, savings and loan*  
14 *associations and savings banks eligible for investments authorized in*  
15 *paragraph (2) of subsection (b), cannot or will not make the investments*  
16 *authorized in paragraph (2) of subsection (b) available to the investing*  
17 *governmental unit at interest rates equal to or greater than the*  
18 *investment rate, as defined in subsection (g) of K.S.A. 12-1675a, and*  
19 *amendments thereto.*

20 *(d) In selecting a depository pursuant to paragraph (2) of*  
21 *subsection (b), if a bank, savings and loan association or savings bank*  
22 *eligible for an investment deposit thereunder has an office located in the*  
23 *investing governmental unit and such financial institution will make*  
24 *such deposits available to the investing governmental unit at interest*  
25 *rates equal to or greater than the investment rate, as defined in*  
26 *subsection (g) of K.S.A. 12-1675a, and amendments thereto, and such*  
27 *financial institution otherwise qualifies for such deposit, the investing*  
28 *governmental unit shall select one or more of such eligible financial*  
29 *institutions for deposit of funds pursuant to this section. If no such*  
30 *financial institution qualifies for such deposits, the investing*  
31 *governmental unit may select for such deposits one or more eligible*  
32 *banks, savings and loan associations or savings banks which have*  
33 *offices in the county or counties in which all or a part of such investing*  
34 *governmental unit is located which will make such deposits available to*  
35 *the investing governmental unit at interest rates equal to or greater than*  
36 *the investment rate, as defined in subsection (g) of K.S.A. 12-1675a, and*  
37 *amendments thereto, and which otherwise qualify for such deposits.*

38 *(e) (1) All security purchases and repurchase agreements shall*  
39 *occur on a delivery versus payment basis.*

40 *(2) All securities, including those acquired by repurchase*  
41 *agreements, shall be perfected in the name of the investing*  
42 *governmental unit and shall be delivered to the purchaser or a third-*  
43 *party custodian which may be the state treasurer.*

1       ***(f) Public moneys deposited pursuant to subsection (b)(2) of K.S.A.***  
2 ***12-1675, and amendments thereto, by the governing body of any***  
3 ***governmental unit listed in subsection (a) of K.S.A. 12-1675, and***  
4 ***amendments thereto, through a selected bank, savings and loan***  
5 ***association or savings bank which is part of a reciprocal deposit***  
6 ***program in which the bank, savings and loan association or savings***  
7 ***bank:***

8       ***(1) Receives reciprocal deposits from other participating***  
9 ***institutions located in the United States in an amount equal to the***  
10 ***amount of funds deposited by the municipal corporation or quasi-***  
11 ***municipal corporation; and***

12       ***(2) for which the total cumulative amount of each deposit does not***  
13 ***exceed the maximum deposit insurance amount for one depositor at one***  
14 ***financial institution as determined by the federal deposit insurance***  
15 ***corporation.***

16       ***Such deposits shall not be treated as securities and need not be***  
17 ***secured as provided in this or any other act.***

18       Sec. 2. ~~K.S.A. 2012-Supp. 40-2124~~ ***2013 Supp. 12-1675*** is hereby  
19 repealed

20       Sec. 3. This act shall take effect and be in force from and after its  
21 publication in the statute book.