

SESSION OF 2019

SUPPLEMENTAL NOTE ON SENATE BILL NO. 109

As Recommended by Senate Committee on
Financial Institutions and Insurance

Brief*

SB 109 would repeal the Kansas Uninsurable Health Insurance Plan Act (Act), also known as the State's high risk pool. The bill would also remove a provision from law treating individuals and enrollees whose coverage has been involuntary terminated because of the insolvency of that individual's or enrollee's health maintenance organization as the equivalent of a "federally defined eligible individual" for the purposes of the Act.

Background

The bill was introduced by the Senate Committee on Financial Institutions and Insurance at the request of the Kansas Insurance Department (Department).

In the Senate Committee hearing, a representative of the Department spoke in favor of the bill, stating the bill would remove language no longer in effect. The representative provided background information on the Kansas Health Insurance Association (KHIA), which was a non-profit legal entity established in 1992 and effective in 1993 to serve as a third-party administrator for and to provide basic health insurance coverage to Kansans who were unable to obtain coverage in the private market or obtain coverage due to a pre-existing medical condition. The representative noted individuals were no longer eligible for the insurance coverage offered by the KHIA because of the guaranteed issue

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

requirement for the individual market under the federal Affordable Care Act. The KHIA statutes remained for a five-year period beginning January 1, 2014, due to a requirement that KHIA policies include a provision that stated no legal action could be brought after the expiration of five years. The KHIA officially closed on December 28, 2018, and the remaining moneys were returned to the health insurance companies that had paid the last assessment based on the same market share percentage.

No neutral or opponent testimony was provided.

The Senate Committee recommended the bill be placed on the Consent Calendar.

According to the fiscal note prepared by the Division of the Budget, the Department indicated enactment of the bill would result in a negligible reduction in expenditures due to decreased workload for employees who perform financial oversight functions for the KHIA. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2020 Governor's Budget Report*.