

SESSION OF 2012

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 250**

As Amended by House Committee of the Whole

**Brief\***

SB 250, as amended, would enact new law to require municipalities to pay premiums for continuation of coverage under COBRA for the surviving spouse and dependent children of a firefighter who dies in the line of duty and would, if enacted, adopt the Interstate Health Care Compact in Kansas.

***Continuation of Coverage, Payment of Premiums***

Under the bill, the payment of premiums for COBRA continuation coverage would be paid for 18 months and would only be required if the deceased firefighter was enrolled in a health benefit plan for which the municipality was paying premiums.

A municipality would not be required to pay the premiums for a surviving spouse:

- On or after the end of the 18th calendar month after the date of the deceased firefighter's death;
- Upon the remarriage of the deceased firefighter's surviving spouse; or
- Upon the deceased firefighter's surviving spouse reaching the age of 65.

Dependent children of a deceased firefighter would no longer be considered dependent upon reaching the age of 18,

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\*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>

for the purposes of coverage under the bill, unless the child is a full-time student in an accredited high school or is a full-time student in a postsecondary educational institution, until the end of the year in which the individual reaches the age of 24.

The bill also would define the terms "firefighter"; "health benefit plan"; "municipality"; and "postsecondary education institution."

### ***Interstate Health Care Compact***

Among the findings stated in the Interstate Health Care Compact's preamble: member states seek to protect individual liberty and personal control over health care decisions, and believe the best method to achieve these ends is by vesting regulatory authority over health care in the states. The Compact's articles include or address: Pledge, Legislative Power, State Control, Funding, Interstate Advisory Health Care Commission, Congressional Consent, Amendments, and Withdrawal and Dissolution. The Compact would become effective upon its adoption by at least two Member States and the consent of the U.S. Congress. Member States would be permitted to withdraw from the Compact by enacting legislation to that effect and with notification by the Governor.

Article IV of the Compact asserts the Member State's authority to suspend, by legislation, the operation of all federal laws, rules, regulations, and orders regarding Health Care that are inconsistent with the laws and regulations adopted by the Member State pursuant to this Compact. Additionally, under Article V, Member States would have the right to Federal monies up to an amount equal to its Member State Current Year Funding Level for that Federal fiscal year; this funding, the Compact language states, would not be conditional on any action of or regulation, policy, law, or rule being adopted by the Member State.

The bill, under Article II, would define the term "Health Care" and specifies the term would not apply to military,

veterans, or Native American health care, plans, or services. The term “Member State Current Year Funding Level” would be the base funding level (FFY 2010 Kansas: \$6,985,000) multiplied by the Current Year Inflation Adjustment Factor.

Under Article VI, an Interstate Advisory Health Care Commission would be established. The Commission would consist of members appointed by each Member State through a process to be determined by each Member State. The Commission would study issues of Health Care regulation that are of particular concern to Member States and make non-binding recommendations to the Member States. The Commission would be funded by the Member States, as agreed to by the Member States.

Member States, under Article IX, would be allowed to withdraw from the Compact by adopting a law to that effect, but the withdrawal could not take effect until six months after the Governor of the withdrawing Member State has given notice of the withdrawal to the other Member States.

The bill would be in effect upon publication in the *Kansas Register*.

## **Background**

**SB 250.** This bill was introduced by Senators Oletha Faust-Goudeau, Dick Kelsey, and Allen Schmidt. A companion bill, HB 2448, was introduced in the House of Representatives. At the Senate Committee on Financial Institutions and Insurance hearing, the sponsors of the bill provided testimony in favor of the bill. Other proponents included representatives of the Kansas State Council of Fire Fighters, the Kansas State Firefighters Association, Inc., and the Wichita Firefighters Union.

The proponents provided testimony in favor of the bill, stating the bill is designed to provide some protection to the surviving spouse and dependent children. The proponents shared the story of the surviving family members of Captain

Urban Eck, who passed away in Wichita on January 2, 2010, as a result of his firefighting duties. There was no neutral or opponent testimony provided at the time of the Senate Committee hearing.

The Senate Financial Institutions and Insurance Committee amended the bill to require municipalities to pay premiums for the continuation of coverage under COBRA for 18 months. The original bill would have required municipalities to pay premiums for the surviving spouse and dependent children's health benefit plan coverage for five years.

The House Insurance Committee amendment changed the publication date specified in the bill to publication in the *Kansas Register*.

The House Committee of the Whole amendment inserted provisions that would allow Kansas to adopt the Interstate Health Care Compact (HB 2520).

**HB 2520.** At the hearing before the House Committee on Health and Human Services, proponents of the bill included John Federico, Federico Consulting, for the Health Care Compact Alliance; a representative of the Health Care Compact Alliance; and a Kansas resident and business owner. The proponents indicated the bill was for the purpose of health care governance and not policy reform. Opponents included a representative of the Kansas chapter of the American Association of Retired Persons and a private citizen. Opponents noted concerns that passage of the bill might put a number of Kansas citizens at risk, and that other states, such as Arizona and Montana, had vetoed their Compact bills.

The fiscal note for SB 250, as introduced, states enactment of the bill would have no fiscal effect on the state; however, the League of Kansas Municipalities and the Kansas Association of Counties reported enactment would increase municipality health care costs.

According to information made available to staff and published by the Kansas State Firefighters Association, Inc., there have been 23 in the line-of-duty firefighter deaths from 2000 to 2011. The 23 in the line-of-duty deaths in Kansas have been categorized by officials as including ten municipal firefighter deaths and five metropolitan firefighter deaths.

According to the fiscal note for HB 2520, the fiscal effect has yet to be determined. At the time of the fiscal note's publication, the Kansas Department of Health and Environment had not yet provided fiscal information. However, the fiscal note stated, "If two Member States were to adopt the Interstate Health Care Compact and the United States Congress consents to its creation, Kansas would continue to receive federal monies and Medicaid Program expenditures could change." Similarly, the fiscal effect of the identical Compact bill before the Senate (2012 SB 373) has not yet been determined.