

## HOUSE BILL No. 2453

By Committee on Insurance and Financial Institutions

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1 AN ACT concerning insurance; relating to sickness and accident  
2 insurance; specially designed policies; wraparound policies; amending  
3 K.S.A. 2015 Supp. 40-2,193 and repealing the existing section.  
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5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2015 Supp. 40-2,193 is hereby amended to read as  
7 follows: 40-2,193. (a) For the purposes of this section:

8 (1) "Specially designed policy" means an insurance policy that by  
9 design may not meet all or part of the definitions of a group or individual  
10 sickness and accident insurance policy and includes temporary sickness  
11 and accident insurance on a short-term basis.

12 (2) "Short-term" means an insurance policy period of six months or  
13 12 months, based upon policy design, which offers not more than one  
14 renewal period with or without a requirement of medical re-underwriting  
15 or medical requalification.

16 (A) Because a short-term policy addresses the special needs for  
17 temporary coverage, a short-term policy is not subject to continuation  
18 provisions of the health insurance portability and accountability act of  
19 1996 (public law 104-191).

20 (B) Because a short-term policy addresses the special needs for  
21 temporary coverage, a short-term policy shall be exempt from medical loss  
22 ratio calculations associated with individual sickness and accident  
23 insurance issued within the state unless such calculation excludes any  
24 monthly administration fee associated with the sale of such policy.

25 (b) Specially designed policies shall include policies designed to  
26 provide sickness and accident insurance for specific coverage of benefits  
27 or services that may be excluded as benefits or services cited under K.S.A.  
28 2015 Supp. 40-2,192, and amendments thereto. Specially designed policies  
29 may include the following stand-alone policies and coverages:

- 30 (1) Chiropractic plans;
- 31 (2) acupuncture coverage plans;
- 32 (3) holistic medical treatment plans;
- 33 (4) podiatrist plans;
- 34 (5) pharmacy plans;
- 35 (6) psychiatric plans;
- 36 (7) allergy plans; and

1 (8) such other stand-alone plans or combinations of plans of accepted  
2 traditional and nontraditional medical practice as shall be allowable for  
3 exclusion from group or individual plans under K.S.A. 2015 Supp. 40-  
4 2,192, and amendments thereto.

5 (c) (1) *Specially designed policies shall also include wraparound*  
6 *policies, also known as gap plans or metallic gap plans, designed to*  
7 *provide coverage coordinated with individual and group major medical*  
8 *plans to cover out-of-pocket expenses such as, but not limited to, hospital,*  
9 *medical, surgical and prescription expense benefits that have been applied*  
10 *toward the deductible and coinsurance of that policy. Such wraparound*  
11 *policies may also contain riders covering critical illness expenses as well*  
12 *as various other riders as might be included in the wraparound policy*  
13 *offering. Such wraparound policies are not intended nor designed to meet*  
14 *the requirements of individual or group major medical policies under*  
15 *K.S.A. 40-2,103, and amendments thereto, and shall not be required to*  
16 *provide the Kansas-mandated benefits in such policies.*

17 (2) *Wraparound policies or gap plans shall not be considered major*  
18 *medical policies and shall not be required to meet the requirements for*  
19 *major medical policies.*

20 (e) (d) No specially designed policy shall be deemed to be included  
21 under the definition of group sickness and accident insurance, including  
22 short-term, limited-duration health insurance, issued or renewed inside or  
23 outside of this state and covering persons residing in this state.

24 Sec. 2. K.S.A. 2015 Supp. 40-2,193 is hereby repealed.

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