

SESSION OF 2021

**CONFERENCE COMMITTEE REPORT BRIEF
HOUSE BILL NO. 2218**

As Agreed to April 8, 2021

Brief*

HB 2218 would amend law governing the implementation and administration of the State Health Care Benefits Program (State Employee Health Plan [SEHP]) to add language regarding the role of the State Employees Health Care Commission (Commission), modify the membership requirements of the Commission, and specify additional reporting information to be provided by the Commission to the Legislature.

Role of Commission

The bill would add to language directing the Commission to develop and provide for the implementation and administration of the SEHP, to state the Commission shall balance meeting the health care needs of state employees at an affordable cost to the employees with the final impact on the State.

Commission Membership Changes

The bill would change the requirements of two of the members appointed by the Governor in the following manner:

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <http://www.kslegislature.org/kldr>

- One member would be a current state employee who is currently enrolled in the state health care benefits program group health insurance medical plan.
- Under current law, this member is a current state employee in the classified service under the Kansas Civil Service Act. There is no requirement regarding health plan participation; and
- One member would be a person retired from a position in the state service who is currently enrolled in the state health care benefits program group health insurance medical plan.
 - Under current law, this member is a person who retired from a position in the classified service under the Kansas Civil Service Act. There is no requirement regarding health plan participation.

Additional Members

The bill would also expand the Commission from five to seven members, by adding:

- One member of the Senate Committee on Ways and Means, appointed by, and to serve at the pleasure of, the president of the Senate; and
- One member of the House Committee on Appropriations, appointed by, and to serve at the pleasure of, the speaker of the House.

Under the bill, the Commission would be composed of seven members; its other members, under continuing law, are the state employee and the retiree described above, Commissioner of Insurance, the Secretary of Administration, and a representative of the general public who is appointed by the Governor.

Reporting of the Commission to the Legislature

The bill would amend the statutory reporting requirements for the Commission to include a report on the current and projected reserve balance. For any reserve balance over 10.0 percent of average plan expenses for the three preceding plan years, the Commission would be required to provide recommendations for reducing reserves by minimizing increases to employee contributions or cost-sharing requirements.

Conference Committee Action

The Conference Committee agreed to the Senate amendments to the bill. It also agreed to restore current law stating the Commission's chairperson shall be designated by the Governor, rather than alternating between the Commissioner of Insurance and the Secretary of Administration, and agreed to modify reporting requirements by requiring the Commission to provide recommendations when reserve balances fall below 10.0 percent of average plan expenses for the three preceding plan years, rather than the expected plan expenses for the next plan year.

Background

The bill was introduced by Representative Bergquist.

House Committee on Insurance and Pensions

In the House Committee hearing on February 24, 2021, the president of the Employee Advisory Committee (a representative group of active state and retired employees advising and assisting the Commission pursuant to KSA 75-6510) provided **proponent** testimony, indicating the bill will realign the statutory requirements with the modern-day state workforce. The conferee explained most state employees are

now unclassified because of recent amendments to the Kansas Civil Service Act to allow conversion of several classified positions. She also noted the new requirement of enrollment in a state group medical plan would ensure appointed members bring their individual experiences with the health plans to the Commission. In her comments, the conferee indicated the amendments to the Commission member requirements had unanimous support from the Commission.

Written-only **proponent** testimony was provided by a representative of the Kansas Organization of State Employees (KOSE).

No neutral or **opponent** testimony was provided.

Senate Committee on Ways and Means

In the Senate Committee hearing on March 22, 2021, the president of the Employee Advisory Committee provided **proponent** testimony, stating that, under current statute, two positions on the Commission are occupied by a current classified state employee and a retired classified state employee. She explained most state employees are now unclassified because of recent amendments to the Kansas Civil Service Act to allow conversion of several classified positions. She also noted the new requirement of enrollment in a state group medical plan would ensure appointed members bring their individual experiences with the health plans to the Commission.

Written-only **proponent** testimony was provided by a representative of KOSE.

On March 24, 2021, the Senate Committee amended the bill to:

- Add language regarding the Commission's role in overseeing and administering the SEHP; [*Note:*

The Conference Committee retained this amendment.]

- Add two additional members to the Commission (legislators); [Note: The Conference Committee retained this amendment.]
- Change the leadership of the Commission by designating the Commissioner of Insurance as the chairperson of the Commission in odd-numbered years and the Secretary of Administration as the chairperson in even-numbered years; [Note: The Conference Committee did not retain this amendment.] and
- Include more detailed reporting requirements in an annual report to the Legislature, including information on reserve fund balances and recommendations to reduce reserves should fund balances fall below 10.0 percent of expected plan expenses. [Note: The Conference Committee modified this amendment to require recommendations when reserve balances fall below 10.0 percent of average plan expenses for the three preceding plan years.]

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill as introduced, the Department of Administration indicates enactment of the bill would have no fiscal effect on agency operations.

Boards, committees, and commissions; State Employees Health Care Commission membership

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