

## HOUSE BILL No. 2172

By Committee on Insurance and Financial Institutions

1-23

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9 AN ACT concerning health insurance; establishing a pilot program to  
10 allow certain small businesses to provide health insurance through the  
11 state employees health benefits program.  
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13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. (a) Commencing in plan year 2008, the Kansas state em-  
15 ployees health care commission shall establish a pilot program which  
16 would allow a qualified small business to provide health insurance to its  
17 employees by allowing eligible employees to participate in the state health  
18 care benefits program.

19 (1) The pilot program established by this section shall expire on Jan-  
20 uary 1, 2012.

21 (2) Participation in the pilot program shall be limited to a total of  
22 1,000 eligible employees regardless of the number of qualified small busi-  
23 nesses involved. For a qualified small business to participate in this pilot  
24 program, at least 70% of such qualified small business' employees shall  
25 also participate.

26 (3) Notwithstanding the provisions of K.S.A. 75-6501, and amend-  
27 ments thereto, eligibility of eligible employees of a qualified small busi-  
28 ness in this pilot program shall not be required to be designated by rule  
29 and regulation.

30 (4) Each participating qualified small business shall agree to stay in  
31 the pilot program for at least two years.

32 (5) Each participating qualified small business shall pay the required  
33 health insurance premium for each of its participating eligible employees;  
34 however, the employer shall be paid by the eligible employee for such  
35 employee's portion of the premium. The determination of the portion of  
36 the premium to be paid by the eligible employee shall be subject to  
37 negotiation.

38 (b) As used in this section:

39 (1) "Small business" means any business that has at most 30  
40 employees.

41 (2) "Qualified small business" means a small business that has not  
42 provided health insurance to its employees for at least two years.

43 (3) "Eligible employee" means an employee who is not already cov-

1 ered under another health insurance policy or program.

2 (c) The Kansas state employees health care commission shall report  
3 its findings and any recommendations which the commission may have  
4 concerning the pilot program established under this section to the gov-  
5 ernor and to the legislature annually.

6 (d) The secretary of administration is hereby authorized to receive  
7 grants, gifts or donations from the United States government, or its agen-  
8 cies, the Sunflower Foundation: Healthcare for Kansas, or any other  
9 source whatsoever for the purposes of the pilot program established un-  
10 der this section and amendments thereto, and any moneys so received  
11 shall be deposited in the state treasury and credited to the cafeteria ben-  
12 efits fund established by K.S.A. 75-6513 and amendments thereto. All  
13 funds received pursuant to this section shall be placed in a separate ac-  
14 count within the cafeteria benefits fund. All expenditures made from such  
15 fund for the purposes of this section shall be made in accordance with  
16 appropriation acts upon warrants of the director of accounts and reports  
17 issued by the secretary of administration or a person designated by the  
18 secretary of administration.

19 Sec. 2. This act shall take effect and be in force from and after its  
20 publication in the Kansas register.