

SENATE BILL No. 637

By Committee on Ways and Means

2-18

9 AN ACT concerning the Kansas uninsurable health insurance plan act;
10 increasing the lifetime maximum benefit; amending K.S.A. 2007 Supp.
11 40-2124 and repealing the existing section.
12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 2007 Supp. 40-2124 is hereby amended to read as
15 follows: 40-2124. (a) Coverage under the plan shall be subject to both
16 deductible and coinsurance provisions set by the board. On and after
17 January 1, 1998, the plan shall offer to current participants and new en-
18 rollees no fewer than four choices of deductible and copayment options.
19 Coverage shall contain a coinsurance provision for each service covered
20 by the plan, and such copayment requirement shall not be subject to a
21 stop-loss provision. Such coverage may provide for a percentage or dollar
22 amount of coinsurance reduction at specific thresholds of copayment ex-
23 penditures by the insured.

24 (b) Coverage under the plan shall be subject to a maximum lifetime
25 benefit of ~~\$1,000,000~~ \$2,000,000 per covered individual.

26 (c) On and after May 1, 1994, coverage under the plan shall exclude
27 charges or expenses incurred during the first 90 days following the effec-
28 tive date of coverage as to any condition: (1) Which manifested itself
29 during the six-month period immediately prior to the application for cov-
30 erage in such manner as would cause an ordinarily prudent person to seek
31 diagnosis, care or treatment; or (2) for which medical advice, care or
32 treatment was recommended or received in the six-month period im-
33 mediately prior to the application for coverage. In succeeding years of
34 operation of the plan, coverage of preexisting conditions may be excluded
35 as determined by the board, except that no such exclusion shall exceed
36 180 calendar days, and no exclusion shall be applied to a federally defined
37 eligible individual provided that application for coverage is made not later
38 than 63 days following the applicant's most recent prior creditable cov-
39 erage. For any individual who is eligible for the credit for health insurance
40 costs under section 35 of the internal revenue code of 1986, the preex-
41 isting conditions limitation will not apply whenever such individual has
42 maintained creditable health insurance coverage for an aggregate period
43 of three months, not counting any period prior to a 63 day break in cov-

1 erage, as of the date on which such individual seeks to enroll in coverage
2 provided by this act.

3 (d) (1) Benefits otherwise payable under plan coverage shall be re-
4 duced by all amounts paid or payable through any other health insurance,
5 or insurance arrangement, and by all hospital and medical expense ben-
6 efits paid or payable under any workers compensation coverage, auto-
7 mobile medical payment or liability insurance whether provided on the
8 basis of fault or nonfault, and by any hospital or medical benefits paid or
9 payable under or provided pursuant to any state or federal law or
10 program.

11 (2) The association shall have a cause of action against an eligible
12 person for the recovery of the amount of benefits paid which are not
13 covered expenses. Benefits due from the plan may be reduced or refused
14 as a set-off against any amount recoverable under this section.

15 Sec. 2. K.S.A. 2007 Supp. 40-2124 is hereby repealed.

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