

SESSION OF 2002

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 469**

As Amended by Senate Committee of the Whole

**Brief\***

SB 469, as amended, concerns the criteria for expansion of the state health care benefits program. The bill directs the State Employees Health Care Commission to condition participation by new entities in the state health care benefits program upon the following:

- ! At least 70 percent of the entity's employees must participate in the state health care plan;
- ! The amount of the premiums paid by the entities as the employer's share of the premium paid must be at least equal to the rate paid by the State of Kansas for its employees;
- ! The entity must not create, maintain, or permit any exemption from participation in the state health care plan for the entity's employees;
- ! The rate charged to the entity must be sufficient to pay for any administrative or underwriting costs incurred by the Commission;
- ! The entity must elect to participate for a minimum of three consecutive years in the state plan; and
- ! The Commission may authorize an entity to pay less than the state rate for the employee coverage for no more than three years and no more than five years for dependent coverage on the condition that the entity elects to participate for at least three consecutive years after first paying the state rate for employee coverage.

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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.accesskansas.org/legislature/>

The Senate Committee of the Whole amendment provides an additional condition the Commission must consider when entities seek participation in the state health plan: the rate charged to such entity must not increase the rate of premium paid by the State of Kansas for its employees.

## **Background**

SB 469, as amended, was suggested by the interim Special Committee on Commercial and Financial Institutions/Insurance as a way of codifying what the Commission generally uses as criteria for admission of new entities. Current guidelines of the Commission are applicable to school districts and their employees.

SB 469 is supported by the Kansas Association of Counties, Riley County, Blue Cross and Blue Shield of Kansas, Kansas Association of Health Plans, Coventry Health Care of Kansas, Preferred Health Systems, Mid America Health, Kansas Association of Insurance Agents, Kansas League of Municipalities, and Kansas Legislative Policy Group.

The fiscal note prepared by the Division of the Budget indicates passage of the bill initially would have a negligible fiscal effect. There is a potential for a more significant fiscal effect if the groups seeking admission to the state plan are allowed to enter.