

Fully Insured Association Health Plan (9-1-18 federal effective date)

- Currently allowed pursuant to K.S.A. 40-2209.
 - However, small group rating applies to associations if any one employer has 50 or fewer eligible employees. This means that each employer would be rated under the Affordable Care Act small group rating rules and not rated separately as one large group. Associations cannot discriminate on which employers/members are offered coverage.
 - If a new or existing association is comprised of employers who all have 50 or more eligible employees/members, they may be rated as a single large group under current Kansas law.
- Striking “associations” from being subject to the Small Employer Health Care Plan Act would allow for these associations to be rated as a single large group.
- Subject to 2% Kansas premium tax or 5.77% privilege fee.

Self-funded Association Health Plan in Existence (1-1-19 federal effective date)

- K.S.A. 40-2222 currently allows for self-funded association health plans subject to certain criteria.
- Currently, a qualified trade, merchant, retail or professional association or business league shall mean any bona fide trade, merchant, retail or professional association or business league that has been in existence for at least five calendar years; and is comprised of five or more employers.
- Subject to 1% Kansas premium tax.

New Self-funded Association Health Plan (4-1-19 federal effective date)

- The United States Department of Labor will not issue new self-funded association health plans certificates, licenses or letters indicating they are subject to their jurisdiction.
 - Given the above there would be no pre-emption of K.S.A. 40-2222 and therefore these plans would be subject to the requirements of the aforementioned statute.
- Striking “has been in existence for at least five calendar years” in K.S.A. 40-2222 would allow for the issuance of new self-funded association health plans. See attached proposed statutory changes.
- Not subject to applicable Kansas premium or privilege fee but subject to 1% premium tax.