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MEMORANDUM

To: Chairman Masterson and members of the Senate Committee on Ways and Means

From: David Wiese, Assistant Revisor

Date: 5/21/2015

Subject: SB 309; Establishing a 3.5% fee for policies sold on the federally facilitated

health insurance exchange

Senate Bill No. 309 requires each health insurer that participates in the federally facilitated health insurance exchange in Kansas to pay an annual fee equal to 3.5% of the monthly premium for each policy sold on such health insurance exchange beginning January 1, 2015. The fee would be paid to the commissioner of insurance.

The bill also creates a new special revenue fund in the state treasury known as the medical assistance fee fund. The medical assistance fee fund is to be administered by the secretary of health and environment and moneys in such fund shall be expended for the purpose of medicaid medical assistance payments.

The bill requires the commissioner of insurance to remit all moneys received from health insurers for the fee specified in the bill to the state treasurer and the state treasurer shall deposit the entire amount of such fees to the credit of the medical assistance fee fund.

The effective date of the bill is upon publication in the statute book.