

## HOUSE BILL No. 2721

By Committee on Education

1-28

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AN ACT relating to schools; administered by the Kansas state employees health care commission; providing a separate health benefits program for public school districts; amending K.S.A. 75-6504, 75-6505, 75-6506, 75-6508, 75-6509 and 75-6510 and repealing the existing sections.

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

New Section 1. As used in this section:

(a) "Commission" means the Kansas state employees health care commission established pursuant to K.S.A. 75-6502 and amendments thereto.

(b) "Public school district" means any school district organized and operating under the laws of the state.

(c) "Person qualified to participate in the public school district health care benefits program" means an employee of a public school district whose employment requires at least 630 hours of work per year. Such term may also include the employee's dependents, as defined by rules and regulations of the commission

New Sec. 2. (a) Subject to the provision of appropriation acts, the Kansas state employees health care commission shall establish and administer a public school district health care benefits program which shall be separate from the state health care benefits program provided for in K.S.A. 75-6501 *et seq.*, and amendments thereto.

(b) The public school district health care benefits program may provide benefits for persons qualified to participate in the program for hospitalization, medical services, surgical services, nonmedical remedial care and treatment rendered in accordance with a religious method of healing and other health services. The program may include such provisions as are established by the Kansas state employees health care commission, including, but not limited to, qualifications for benefits, services covered, schedules and graduation of benefits, conversion privileges, deductible amounts, limitations on eligibility for benefits by reason of termination of employment or other change of status, leaves of absence, military service or other interruptions in service and other reasonable provisions as may be established by the commission.

1 (c) Any public school district may elect to participate in the public  
2 school district health care benefits program by filing a resolution approved  
3 by the governing body of the public school district. No public school  
4 district shall participate in the public school district health care benefits  
5 program except by the adoption of a resolution therefor. Upon the filing  
6 of a certified copy of such resolution with the Kansas state employees  
7 health care commission, an election pursuant to this subsection shall be  
8 irrevocable and the public school district shall become a participant in  
9 the public school district health care benefits program on August 1 of the  
10 year immediately following the filing of such election with the Kansas  
11 state employees health care commission.

12 (d) (1) Subject to the provisions of appropriation acts, for the 2002-  
13 2003 school year, the state shall pay 16.66% of the cost of a single pre-  
14 mium health insurance policy for each person qualified to participate in  
15 the public school district health care benefits program who elects to do  
16 so from any public school district that elects to participate in the program.

17 (2) Subject to the provisions of appropriation acts, for the 2003-2004  
18 school year, the state shall pay 33.33% of a single premium health insur-  
19 ance policy for each person qualified to participate in the public school  
20 district health care benefits program who elects to do so from any public  
21 school district that elects to participate in the program.

22 (3) Subject to the provisions of appropriation acts, for the 2004-2005  
23 school year and every school year thereafter, the state shall pay 50% of  
24 the cost of a single premium health insurance policy for each person  
25 qualified to participate in the public school district health care benefits  
26 program who elects to do so from any public school district that elects to  
27 participate in the program.

28 (e) The public school district health care benefits program estab-  
29 lished under this act shall be effective on and after August 1, 2002.

30 New Sec. 3. (a) The participation of a person qualified to participate  
31 in the public school district health care benefits program shall be volun-  
32 tary, and the cost of the public school district health care benefits program  
33 for such person shall be established by the Kansas state employees health  
34 care commission. A person on the payroll of a public school district which  
35 has been approved by the Kansas state health care commission as a par-  
36 ticipant in the public school district health care benefits program pursuant  
37 to section 2, and amendments thereto, may elect to become a member  
38 of the public school district health care benefits program by filing a writ-  
39 ten election with the Kansas state employees health care commission in  
40 accordance with rules and regulations of the commission.

41 (b) Periodic deductions from public school district payrolls may be  
42 made in accordance with procedures prescribed by the secretary of ad-  
43 ministration to cover the costs of the public school district health care

1 benefits program not paid pursuant to subsection (d) of section 2, and  
2 amendments thereto, payable by persons who are on the public school  
3 district payroll when authorized by such persons.

4 (c) For persons qualified to participate in the public school district  
5 health care benefits program who are employed by the public school  
6 district, periodic deductions from payrolls of the public school district  
7 shall be made to cover the costs of the public school district health care  
8 benefits program not paid pursuant to subsection (d) of section 2, and  
9 amendments thereto, payable by such persons when authorized by such  
10 persons. All such moneys deducted from payrolls shall be remitted to the  
11 Kansas state employees health care commission in accordance with the  
12 directions of the commission.

13 (d) Each public school district which has on its payroll persons par-  
14 ticipating in the public school district health care benefits program shall  
15 pay from any moneys available to the public school district for such pur-  
16 pose an amount specified by the Kansas state employees health care com-  
17 mission. All such payments shall continue on the behalf of employees  
18 otherwise eligible for participation in the public school district health care  
19 benefits program in accordance with the continuation provisions of the  
20 federal family and medical leave act of 1993, P.L. 103-03, 107 Stat. 6.  
21 The commission may charge each public school district a uniform amount  
22 per person as the cost to the public school district for the public school  
23 district's contribution for persons participating in the public school district  
24 health care benefits program. Such amounts may include the costs of  
25 administering the program.

26 (e) Payments from public funds for coverage under the public school  
27 district health care benefits program for persons participating in that pro-  
28 gram shall not be deemed a payment or supplement of wages of such  
29 person notwithstanding any other provision of law or rules and regulations  
30 relating to wages of any such person.

31 Sec. 4. K.S.A. 75-6504 is hereby amended to read as follows: 75-  
32 6504. (a) Subject to the provisions of appropriation acts relating thereto,  
33 in developing and providing for the implementation of a state health care  
34 benefits program *and a public school district health care benefits program*  
35 the Kansas state employees health care commission may:

36 (1) Enter into one or more group insurance contracts to provide cov-  
37 erage for all or part of the state health care benefits program *and the*  
38 *public school district health care benefits program*;

39 (2) establish a self-funded program on an actuarially sound basis to  
40 provide coverage for all or part of the state health care benefits program  
41 *and the public school district health care benefits program* and administer  
42 the self-funded program or contract for all or part of the administration  
43 of the self-funded program;

1 (3) provide for the self-administration of all or part of the state health  
2 care benefits program *and the public school district health care benefits*  
3 *program*;

4 (4) enter into contracts with one or more health care providers for  
5 the provision of health care services;

6 (5) enter into contracts in accordance with the provisions of K.S.A.  
7 75-6505, and amendments thereto, with one or more health maintenance  
8 organizations for the provision of health care services; or

9 (6) any combination of the authority granted under this subsection  
10 (a).

11 (b) The Kansas state employees health care commission is hereby  
12 authorized to negotiate and enter into contracts with qualified insurers,  
13 health maintenance organizations and other contracting parties for the  
14 purpose of establishing the state health care benefits program *and the*  
15 *public school district health care benefits program*, including the acqui-  
16 sition of consulting and other services necessary therefor. The commis-  
17 sion shall advertise for proposals, shall negotiate with not less than three  
18 firms or other parties submitting proposals, and shall select from among  
19 those submitting proposals the firm or other contracting party to contract  
20 with for the purpose of entering into contracts for services related to the  
21 state health care benefits program *and the public school district health*  
22 *care benefits program*.

23 (c) The provisions of K.S.A. 75-4317 through 75-4320a, and amend-  
24 ments thereto, shall not apply to meetings of the Kansas state employees  
25 health care commission when the commission meets solely for the pur-  
26 pose of:

27 (1) Discussing and preparing strategies for negotiations for such plans  
28 and contracts; and

29 (2) considering health care matters relating to individually identifica-  
30 ble plan participants.

31 (d) Contracts entered into pursuant to this section, K.S.A. 75-6505  
32 or 75-6510, and amendments thereto, shall not be subject to the provi-  
33 sions of K.S.A. 75-3738 to 75-3740, inclusive, and amendments thereto.  
34 Such contracts may be for terms of not more than three years and may  
35 be renegotiated and renewed. All such contracts shall be subject to the  
36 limits of appropriations made or available therefor and subject to the  
37 provisions of appropriations acts relating thereto.

38 Sec. 5. K.S.A. 75-6505 is hereby amended to read as follows: 75-  
39 6505. The Kansas state employees health care commission, in accordance  
40 with the provisions of K.S.A. 75-6504, may contract to provide health care  
41 services of a health maintenance organization for persons qualified to  
42 participate in the state health care benefits program *and the public school*  
43 *district health care benefits program*. The contract shall provide that cov-

1 erage under the contract is applicable to those persons qualified to partic-  
2 cipate in the state health care benefits program *and the public school*  
3 *district health care benefits program* as the commission determines fea-  
4 sible. This coverage may be available to such qualified persons as an  
5 alternative to other benefits under the state health care benefits program  
6 *and the public school district health care benefits program* or may be part  
7 of the benefits provided to such persons under the program. The contract  
8 may include services for spouses and dependents of members at rates  
9 established in accordance with such contract. A contract to provide health  
10 care services of a health maintenance organization under this section shall  
11 be construed to be part of the state health care benefits program *or the*  
12 *public school district health care benefits program, as applicable.*

13 Sec. 6. K.S.A. 75-6506 is hereby amended to read as follows: 75-  
14 6506. (a) The participation of a person qualified to participate in the state  
15 health care benefits program shall be voluntary, and the cost of the state  
16 health care benefits program for such person shall be established by the  
17 Kansas state employees health care commission.

18 (b) Periodic deductions from state payrolls may be made in accord-  
19 ance with procedures prescribed by the secretary of administration to  
20 cover the costs of the state health care benefits program payable by per-  
21 sons who are on the state payroll when authorized by such persons. Any  
22 such periodic payroll deductions in effect on an implementation date for  
23 biweekly payroll periods shall be collected in the manner prescribed by  
24 the secretary of administration.

25 (c) In the event that the Kansas state employees health care com-  
26 mission designates by rules and regulations a group of persons on the  
27 payroll of a county, township, city, special district or other local govern-  
28 mental entity, ~~public school district~~, licensed child care facility operated  
29 by a not-for-profit corporation providing residential group foster care for  
30 children and receiving reimbursement for all or part of such care from  
31 the department of social and rehabilitation services, nonprofit community  
32 mental health center, as provided in K.S.A. 19-4001 *et seq.* and amend-  
33 ments thereto, nonprofit community facility for the mentally retarded, as  
34 provided in K.S.A. 19-4001 *et seq.* and amendments thereto, or nonprofit  
35 independent living agency, as defined in K.S.A. 65-5101 and amendments  
36 thereto, as qualified to participate in the state health care benefits pro-  
37 gram, periodic deductions from payrolls of the local governmental entity,  
38 ~~public school district~~, licensed child care facility operated by a not-for-  
39 profit corporation providing residential group foster care for children and  
40 receiving reimbursement for all or part of such care from the department  
41 of social and rehabilitation services, nonprofit community mental health  
42 center, as provided in K.S.A. 19-4001 *et seq.* and amendments thereto,  
43 nonprofit community facility for the mentally retarded, as provided in

1 K.S.A. 19-4001 *et seq.* and amendments thereto, or nonprofit independ-  
2 ent living agency, as defined in K.S.A. 65-5101 and amendments thereto,  
3 may be made to cover the costs of the state health care benefits program  
4 payable by such persons when authorized by such persons. All such mon-  
5 eys deducted from payrolls shall be remitted to the Kansas state employ-  
6 ees health care commission in accordance with the directions of the  
7 commission.

8 Sec. 7. K.S.A. 75-6508 is hereby amended to read as follows: 75-  
9 6508. (a) (1) Each state agency which has on its payroll persons partici-  
10 pating in the state health care benefits program shall pay from any moneys  
11 available to the agency for such purpose an amount specified by the Kan-  
12 sas state employees health care commission, including any amounts pre-  
13 scribed under a cafeteria plan established under K.S.A. 75-6512, and  
14 amendments thereto. All such payments shall continue on the behalf of  
15 employees otherwise eligible for participation in the state health care  
16 benefits program in accordance with the continuation provisions of the  
17 federal family and medical leave act of 1993, P.L. 103-03, 107 Stat. 6.  
18 The commission may charge each state agency a uniform amount per  
19 person as the cost to the agency for the state's contribution for persons  
20 participating in the state health care benefits program. Such amounts may  
21 include the costs of administering the program.

22 (2) In the event that the Kansas state employees health care com-  
23 mission designates by rules and regulations a group of persons on the  
24 payroll of a county, township, city, special district or other local govern-  
25 mental entity, ~~public school district~~, licensed child care facility operated  
26 by a not-for-profit corporation providing residential group foster care for  
27 children and receiving reimbursement for all or part of such care from  
28 the department of social and rehabilitation services, nonprofit community  
29 mental health center, as provided in K.S.A. 19-4001 *et seq.*, and amend-  
30 ments thereto, nonprofit community facility for the mentally retarded, as  
31 provided in K.S.A. 19-4001 *et seq.*, and amendments thereto, or nonprofit  
32 independent living agency, as defined in K.S.A. 65-5101, and amend-  
33 ments thereto, as qualified to participate in the state health care benefits  
34 program, each local governmental entity, ~~public school district~~, licensed  
35 child care facility operated by a not-for-profit corporation providing res-  
36 idential group foster care for children and receiving reimbursement for  
37 all or part of such care from the department of social and rehabilitation  
38 services, nonprofit community mental health center, as provided in K.S.A.  
39 19-4001 *et seq.*, and amendments thereto, nonprofit community facility  
40 for the mentally retarded, as provided in K.S.A. 19-4001 *et seq.*, and  
41 amendments thereto, or nonprofit independent living agency, as defined  
42 in K.S.A. 65-5101, and amendments thereto, which has on its payroll  
43 persons participating in the state health care benefits program shall pay

1 from any moneys available to the local governmental entity, ~~public school~~  
2 ~~district~~, licensed child care facility operated by a not-for-profit corpora-  
3 tion providing residential group foster care for children and receiving  
4 reimbursement for all or part of such care from the department of social  
5 and rehabilitation services, nonprofit community mental health center, as  
6 provided in K.S.A. 19-4001 *et seq.*, and amendments thereto, nonprofit  
7 community facility for the mentally retarded, as provided in K.S.A. 19-  
8 4001 *et seq.*, and amendments thereto, or nonprofit independent living  
9 agency, as defined in K.S.A. 65-5101, and amendments thereto, for such  
10 purpose an amount specified by the commission. The commission may  
11 charge each local governmental entity, ~~public school district~~, licensed  
12 child care facility operated by a not-for-profit corporation providing res-  
13 idential group foster care for children and receiving reimbursement for  
14 all or part of such care from the department of social and rehabilitation  
15 services, nonprofit community mental health center, as provided in K.S.A.  
16 19-4001 *et seq.*, and amendments thereto, nonprofit community facility  
17 for the mentally retarded, as provided in K.S.A. 19-4001 *et seq.*, and  
18 amendments thereto, or nonprofit independent living agency, as defined  
19 in K.S.A. 65-5101, and amendments thereto, a uniform amount per per-  
20 son as the cost to the local governmental entity, ~~public school district~~,  
21 licensed child care facility operated by a not-for-profit corporation provid-  
22 ing residential group foster care for children and receiving reimburse-  
23 ment for all or part of such care from the department of social and re-  
24 habilitation services, nonprofit community mental health center, as  
25 provided in K.S.A. 19-4001 *et seq.*, and amendments thereto, nonprofit  
26 community facility for the mentally retarded, as provided in K.S.A. 19-  
27 4001 *et seq.*, and amendments thereto, or nonprofit independent living  
28 agency, as defined in K.S.A. 65-5101, and amendments thereto, for the  
29 contribution of the local governmental entity, ~~public school district~~, li-  
30 censed child care facility operated by a not-for-profit corporation provid-  
31 ing residential group foster care for children and receiving reimburse-  
32 ment for all or part of such care from the department of social and  
33 rehabilitation services, nonprofit community mental health center, as pro-  
34 vided in K.S.A. 19-4001 *et seq.*, and amendments thereto, nonprofit com-  
35 munity facility for the mentally retarded, as provided in K.S.A. 19-4001  
36 *et seq.*, and amendments thereto, or nonprofit independent living agency,  
37 as defined in K.S.A. 65-5101, and amendments thereto, for persons par-  
38 ticipating in the state health care benefits program. Such amounts may  
39 include the costs of administering the program.

40 (b) Payments from public funds for coverage under the state health  
41 care benefits program for persons participating in that program shall not  
42 be deemed a payment or supplement of wages of such person notwith-  
43 standing any other provision of law or rules and regulations relating to

1 wages of any such person.

2 Sec. 8. K.S.A. 75-6509 is hereby amended to read as follows: 75-  
3 6509. Commencing with the regular session of the legislature in 1985 and  
4 with each regular session of the legislature thereafter, the Kansas state  
5 employees health care commission shall submit to the president of the  
6 senate and to the speaker of the house of representatives, on the day the  
7 governor's budget report is submitted to the legislature, recommenda-  
8 tions with respect to the state health care benefits program together with  
9 estimates of the cost of the program proposed by the commission, in-  
10 cluding a five-year projection of the cost of the program. Together with  
11 the recommendations submitted, the commission shall include alterna-  
12 tives for cost containment and benefit coverage for qualified persons for  
13 both the proposed program and the five-year projected program. *In ad-*  
14 *dition, commencing with the regular session of the legislature in 2003 and*  
15 *with each regular session thereafter, the Kansas state employees health*  
16 *care commission shall submit to the president of the senate and to the*  
17 *speaker of the house of representatives, on or before the first day of the*  
18 *regular legislative session in 2003, and each regular session of the legis-*  
19 *lature thereafter, recommendations with respect to the public school dis-*  
20 *trict health care benefits program.* The commission shall also submit any  
21 recommendations for legislation with respect to the state health care ben-  
22 efits program *and the public school district health care benefits program.*

23 Sec. 9. K.S.A. 75-6510 is hereby amended to read as follows: 75-  
24 6510. (a) In exercising and performing the powers, duties and functions  
25 prescribed by K.S.A. 75-6501 to 75-6511, inclusive, *and amendments*  
26 *thereto*, the Kansas state employees health care commission may adopt  
27 rules and regulations and enter into such contracts as may be necessary.

28 (b) The Kansas state employees health care commission may establish  
29 an advisory committee to advise the commission on matters relating to  
30 health care benefits of state officers and employees *and to persons qual-*  
31 *ified to participate in the public school district health care benefits pro-*  
32 *gram* and to assist the commission in the development of policy with  
33 respect to such benefits.

34 (c) The Kansas state employees health care commission shall main-  
35 tain an ongoing study and review of the state health care benefits program  
36 *and the public school district health care benefits program* in order to  
37 make necessary improvements therein and to make recommendations  
38 thereon under K.S.A. 75-6509, *and amendments thereto.*

39 Sec. 10. K.S.A. 75-6504, 75-6505, 75-6506, 75-6508, 75-6509 and 75-  
40 6510 are hereby repealed.

41 Sec. 11. This act shall take effect and be in force from and after its  
42 publication in the statute book.

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