

SENATE BILL No. 469

AN ACT concerning the state health care benefits program; concerning participation by local governmental entities in such program; amending K.S.A. 75-6501, 75-6506 and 75-6509 and repealing the existing sections.

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

Section 1. K.S.A. 75-6501 is hereby amended to read as follows: 75-6501. (a) Within the limits of appropriations made or available therefor and subject to the provisions of appropriation acts relating thereto, the Kansas state employees health care commission shall develop and provide for the implementation and administration of a state health care benefits program.

(b) The state 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.

(c) The Kansas state employees health care commission shall designate by rules and regulations those persons who are qualified to participate in the state health care benefits program, including active and retired public officers and employees and their dependents as defined by rules and regulations of the commission. In designating persons qualified to participate in the state health care benefits program, the commission may establish such conditions, restrictions, limitations and exclusions as the commission deems reasonable. *Such conditions, restrictions, limitations and exclusions shall include the conditions contained in subsection (d) of section 2, and amendments thereto.* Each person who was formerly elected or appointed and qualified to an elective state office and who was covered immediately preceding the date such person ceased to hold such office by the provisions of group health insurance or a health maintenance organization plan under the law in effect prior to August 1, 1984, or the state health care benefits program in effect after that date, shall continue to be qualified to participate in the state health care benefits program and shall pay the cost of participation in the program as established and in accordance with the procedures prescribed by the commission if such person chooses to participate therein.

(d) The state health care benefits program established under this act shall be effective on and after August 1, 1984.

Sec. 2. K.S.A. 75-6506 is hereby amended to read as follows: 75-6506. (a) The participation of a person qualified to participate in the state health care benefits program shall be voluntary, and the cost of the state health care benefits program for such person shall be established by the Kansas state employees health care commission.

(b) Periodic deductions from state payrolls may be made in accordance with procedures prescribed by the secretary of administration to cover the costs of the state health care benefits program payable by persons who are on the state payroll when authorized by such persons. Any such periodic payroll deductions in effect on an implementation date for biweekly payroll periods shall be collected in the manner prescribed by the secretary of administration.

(c) In the event that the Kansas state employees health care commission designates by rules and regulations a group of persons on the payroll of a county, township, city, special district or other local governmental entity, public school district, licensed child care facility operated by a not-for-profit corporation providing residential group foster care for children and receiving reimbursement for all or part of such care from the department of social and rehabilitation services, nonprofit community mental health center, as provided in K.S.A. 19-4001 *et seq.* and amendments thereto, nonprofit community facility for the mentally retarded, as provided in K.S.A. 19-4001 *et seq.* and amendments thereto, or nonprofit independent living agency, as defined in K.S.A. 65-5101 and amendments thereto, as qualified to participate in the state health care benefits pro-

gram, periodic deductions from payrolls of the local governmental entity, public school district, licensed child care facility operated by a not-for-profit corporation providing residential group foster care for children and receiving reimbursement for all or part of such care from the department of social and rehabilitation services, nonprofit community mental health center, as provided in K.S.A. 19-4001 *et seq.* and amendments thereto, nonprofit community facility for the mentally retarded, as provided in K.S.A. 19-4001 *et seq.* and amendments thereto, or nonprofit independent living agency, as defined in K.S.A. 65-5101 and amendments thereto, may be made to cover the costs of the state health care benefits program payable by such persons when authorized by such persons. All such monies deducted from payrolls shall be remitted to the Kansas state employees health care commission in accordance with the directions of the commission.

(d) *On and after July 1, 2002, whenever the Kansas state employees health care commission designates any entity listed in subsection (c) as qualified to participate in the state health care benefits program, such entity's participation shall be conditioned upon the following:*

(1) *At least 70% of such entity's employees shall participate in the state health care plan;*

(2) *except as provided by paragraph (6) of this subsection, the rate of the premium paid by the entity as the employer's share of the total amount of premium paid shall be at least equal to the rate paid by the state of Kansas for its employees;*

(3) *the entity shall not create, maintain or permit any exemption from participation in the state health care plan for such entity's employees;*

(4) *the rate charged to such entity shall be sufficient to pay for any administrative or underwriting costs incurred by the state employees health care commission;*

(5) *the rate charged to such entity shall not increase the rate of premium paid by the state of Kansas for its employees;*

(6) *the entity shall elect to participate for a minimum of three consecutive years in the state health care benefits program; and*

(7) *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.*

Sec. 3. K.S.A. 75-6509 is hereby amended to read as follows: 75-6509. Commencing with the regular session of the legislature in 1985 and with each regular session of the legislature thereafter, the Kansas state employees health care commission shall submit to the president of the senate and to the speaker of the house of representatives, on the day the governor's budget report is submitted to the legislature, recommendations with respect to the state health care benefits program together with estimates of the cost of the program proposed by the commission, including a five-year projection of the cost of the program, *and the estimated cost of admitting each entity pursuant to subsection (c) of K.S.A. 75-6506 and amendments thereto.* Together with the recommendations submitted, the commission shall include alternatives for cost containment and benefit coverage for qualified persons for both the proposed program and the five-year projected program. The commission shall also submit any recommendations for legislation with respect to the state health care benefits program.

Sec. 4. K.S.A. 75-6501, 75-6506 and 75-6509 are hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the SENATE, and passed that body

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*President of the Senate.*

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*Secretary of the Senate.*

Passed the HOUSE \_\_\_\_\_

\_\_\_\_\_  
*Speaker of the House.*

\_\_\_\_\_  
*Chief Clerk of the House.*

APPROVED \_\_\_\_\_

\_\_\_\_\_  
*Governor.*