

SENATE BILL No. 555

By Committee on Education

2-11

AN ACT concerning school districts; concerning a health care benefits program for 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) "School district" means any public school district.

(c) "Qualified employee" means an employee of a school district, which district has elected to participate in the program as provided by section 2, and amendments thereto, and whose employment requires at least 630 hours of work each school year. Such term shall not include the employee's dependents.

(d) "Program" means the school district health care benefits program established and administered pursuant to section 2, and amendments thereto.

New Sec. 2. (a) Subject to the provisions of appropriation acts relating thereto, the commission shall establish and administer a school district health care benefits program. Such program shall be separate from the state health care benefits program authorized by K.S.A. 75-6501 *et seq.*, and amendments thereto.

(b) The program may provide, but shall not be limited to, benefits 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, but shall not be limited to, provisions relating 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.

(c) Any school district may elect to participate in the program by adoption of a resolution by the board of education of the school district.

1 A certified copy of such resolution shall be filed with the commission.
2 Upon the filing of such resolution with the commission, the election to
3 participate in the program shall be irrevocable and the school district shall
4 become a participant in the program on August 1 of the year immediately
5 following the filing of such resolution with the commission.

6 (d) (1) Subject to the provisions of appropriation acts relating
7 thereto, for the 2002-2003 school year, the state shall pay 16.66% of the
8 cost for each qualified employee participating in the program.

9 (2) Subject to the provisions of appropriation acts relating thereto,
10 for the 2003-2004 school year, the state shall pay 33.33% of the cost for
11 each qualified employee participating in the program.

12 (3) Subject to the provisions of appropriation acts relating thereto,
13 for the 2004-2005 school year and each school year thereafter, the state
14 shall pay 50% of the cost for each qualified employee participating in the
15 program.

16 (e) The program established under this section shall be effective on
17 and after August 1, 2002.

18 New Sec. 3. (a) The participation of a qualified employee in the pro-
19 gram shall be voluntary, and the cost of the program for such employee
20 shall be established by the commission. A qualified employee of a school
21 district which has filed a copy of a resolution with the commission as
22 provided by section 2, and amendments thereto, may elect to become a
23 member of the program by filing a written election with the commission
24 in accordance with rules and regulations adopted by the commission.

25 (b) Deductions from the compensation of qualified employees shall
26 be made to cover the costs of the program not paid by the state pursuant
27 to section 2, and amendments thereto, payable by such persons when
28 authorized thereby in the manner provided by K.S.A. 72-8601, and
29 amendments thereto. All such moneys deducted from payrolls shall be
30 remitted to the commission in accordance with the directions of the
31 commission.

32 (c) Each school district which has on its payroll persons participating
33 in the program shall pay from any moneys available to the school district
34 for such purpose an amount specified by the commission. All such pay-
35 ments shall continue on the behalf of employees otherwise eligible for
36 participation in the program in accordance with the continuation provi-
37 sions of the federal family and medical leave act of 1993, P.L. 103-03,
38 107 Stat. 6. The commission may charge each school district a uniform
39 amount per person as the cost to the school district for the school district's
40 contribution for persons participating in the program. Such amounts may
41 include the costs of administering the program.

42 (d) Payments from public funds for coverage under the program for
43 qualified employees shall not be deemed a payment or supplement of

1 wages of such person.

2 Sec. 4. K.S.A. 75-6504 is hereby amended to read as follows: 75-
3 6504. (a) Subject to the provisions of appropriation acts relating thereto,
4 in developing and providing for the implementation of a state health care
5 benefits program *and a school district health care benefits program* the
6 Kansas state employees health care commission may:

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

10 (2) establish a self-funded program on an actuarially sound basis to
11 provide coverage for all or part of the state health care benefits program
12 *and the school district health care benefits program* and administer the
13 self-funded program or contract for all or part of the administration of
14 the self-funded program;

15 (3) provide for the self-administration of all or part of the state health
16 care benefits program *and the school district health care benefits*
17 *program*;

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

20 (5) enter into contracts in accordance with the provisions of K.S.A.
21 75-6505, and amendments thereto, with one or more health maintenance
22 organizations for the provision of health care services; or

23 (6) any combination of the authority granted under this subsection
24 (a).

25 (b) The Kansas state employees health care commission is hereby
26 authorized to negotiate and enter into contracts with qualified insurers,
27 health maintenance organizations and other contracting parties for the
28 purpose of establishing the state health care benefits program *and the*
29 *school district health care benefits program*, including the acquisition of
30 consulting and other services necessary therefor. The commission shall
31 advertise for proposals, shall negotiate with not less than three firms or
32 other parties submitting proposals, and shall select from among those
33 submitting proposals the firm or other contracting party to contract with
34 for the purpose of entering into contracts for services related to the state
35 health care benefits program *and the school district health care benefits*
36 *program*.

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

41 (1) Discussing and preparing strategies for negotiations for such plans
42 and contracts; and

43 (2) considering health care matters relating to individually identifia-

1 ble plan participants.

2 (d) Contracts entered into pursuant to this section, K.S.A. 75-6505
3 or 75-6510, and amendments thereto, shall not be subject to the provi-
4 sions of K.S.A. 75-3738 to 75-3740, inclusive, and amendments thereto.
5 Such contracts may be for terms of not more than three years and may
6 be renegotiated and renewed. All such contracts shall be subject to the
7 limits of appropriations made or available therefor and subject to the
8 provisions of appropriations acts relating thereto.

9 Sec. 5. K.S.A. 75-6505 is hereby amended to read as follows: 75-
10 6505. The Kansas state employees health care commission, in accordance
11 with the provisions of K.S.A. 75-6504, may contract to provide health care
12 services of a health maintenance organization for persons qualified to
13 participate in the state health care benefits program *and the school district*
14 *health care benefits program*. The contract shall provide that coverage
15 under the contract is applicable to those persons qualified to participate
16 in the state health care benefits program *and the school district health*
17 *care benefits program* as the commission determines feasible. This cov-
18 erage may be available to such qualified persons as an alternative to other
19 benefits under the state health care benefits program *and the school dis-*
20 *trict health care benefits program* or may be part of the benefits provided
21 to such persons under the program. The contract may include services
22 for spouses and dependents of members at rates established in accord-
23 ance with such contract. A contract to provide health care services of a
24 health maintenance organization under this section shall be construed to
25 be part of the state health care benefits program *or the school district*
26 *health care benefits program, as applicable*.

27 Sec. 6. K.S.A. 75-6506 is hereby amended to read as follows: 75-
28 6506. (a) The participation of a person qualified to participate in the state
29 health care benefits program shall be voluntary, and the cost of the state
30 health care benefits program for such person shall be established by the
31 Kansas state employees health care commission.

32 (b) Periodic deductions from state payrolls may be made in accord-
33 ance with procedures prescribed by the secretary of administration to
34 cover the costs of the state health care benefits program payable by per-
35 sons who are on the state payroll when authorized by such persons. Any
36 such periodic payroll deductions in effect on an implementation date for
37 biweekly payroll periods shall be collected in the manner prescribed by
38 the secretary of administration.

39 (c) In the event that the Kansas state employees health care com-
40 mission designates by rules and regulations a group of persons on the
41 payroll of a county, township, city, special district or other local govern-
42 mental entity, ~~public school district~~, licensed child care facility operated
43 by a not-for-profit corporation providing residential group foster care for

1 children and receiving reimbursement for all or part of such care from
2 the department of social and rehabilitation services, nonprofit community
3 mental health center, as provided in K.S.A. 19-4001 *et seq.* and amend-
4 ments thereto, nonprofit community facility for the mentally retarded, as
5 provided in K.S.A. 19-4001 *et seq.* and amendments thereto, or nonprofit
6 independent living agency, as defined in K.S.A. 65-5101 and amendments
7 thereto, as qualified to participate in the state health care benefits pro-
8 gram, periodic deductions from payrolls of the local governmental entity,
9 ~~public school district~~, licensed child care facility operated by a not-for-
10 profit corporation providing residential group foster care for children and
11 receiving reimbursement for all or part of such care from the department
12 of social and rehabilitation services, nonprofit community mental health
13 center, as provided in K.S.A. 19-4001 *et seq.* and amendments thereto,
14 nonprofit community facility for the mentally retarded, as provided in
15 K.S.A. 19-4001 *et seq.* and amendments thereto, or nonprofit independ-
16 ent living agency, as defined in K.S.A. 65-5101 and amendments thereto,
17 may be made to cover the costs of the state health care benefits program
18 payable by such persons when authorized by such persons. All such mon-
19 eys deducted from payrolls shall be remitted to the Kansas state employ-
20 ees health care commission in accordance with the directions of the
21 commission.

22 Sec. 7. K.S.A. 75-6508 is hereby amended to read as follows: 75-
23 6508. (a) (1) Each state agency which has on its payroll persons partici-
24 pating in the state health care benefits program shall pay from any moneys
25 available to the agency for such purpose an amount specified by the Kan-
26 sas state employees health care commission, including any amounts pre-
27 scribed under a cafeteria plan established under K.S.A. 75-6512, and
28 amendments thereto. All such payments shall continue on the behalf of
29 employees otherwise eligible for participation in the state health care
30 benefits program in accordance with the continuation provisions of the
31 federal family and medical leave act of 1993, P.L. 103-03, 107 Stat. 6.
32 The commission may charge each state agency a uniform amount per
33 person as the cost to the agency for the state's contribution for persons
34 participating in the state health care benefits program. Such amounts may
35 include the costs of administering the program.

36 (2) In the event that the Kansas state employees health care com-
37 mission designates by rules and regulations a group of persons on the
38 payroll of a county, township, city, special district or other local govern-
39 mental entity, ~~public school district~~, licensed child care facility operated
40 by a not-for-profit corporation providing residential group foster care for
41 children and receiving reimbursement for all or part of such care from
42 the department of social and rehabilitation services, nonprofit community
43 mental health center, as provided in K.S.A. 19-4001 *et seq.*, and amend-

1 ments thereto, nonprofit community facility for the mentally retarded, as
2 provided in K.S.A. 19-4001 *et seq.*, and amendments thereto, or nonprofit
3 independent living agency, as defined in K.S.A. 65-5101, and amend-
4 ments thereto, as qualified to participate in the state health care benefits
5 program, each local governmental entity, ~~public school district~~, licensed
6 child care facility operated by a not-for-profit corporation providing res-
7 idential group foster care for children and receiving reimbursement for
8 all or part of such care from the department of social and rehabilitation
9 services, nonprofit community mental health center, as provided in K.S.A.
10 19-4001 *et seq.*, and amendments thereto, nonprofit community facility
11 for the mentally retarded, as provided in K.S.A. 19-4001 *et seq.*, and
12 amendments thereto, or nonprofit independent living agency, as defined
13 in K.S.A. 65-5101, and amendments thereto, which has on its payroll
14 persons participating in the state health care benefits program shall pay
15 from any moneys available to the local governmental entity, ~~public school~~
16 ~~district~~, licensed child care facility operated by a not-for-profit corpora-
17 tion providing residential group foster care for children and receiving
18 reimbursement for all or part of such care from the department of social
19 and rehabilitation services, nonprofit community mental health center, as
20 provided in K.S.A. 19-4001 *et seq.*, and amendments thereto, nonprofit
21 community facility for the mentally retarded, as provided in K.S.A. 19-
22 4001 *et seq.*, and amendments thereto, or nonprofit independent living
23 agency, as defined in K.S.A. 65-5101, and amendments thereto, for such
24 purpose an amount specified by the commission. The commission may
25 charge each local governmental entity, ~~public school district~~, licensed
26 child care facility operated by a not-for-profit corporation providing res-
27 idential group foster care for children and receiving reimbursement for
28 all or part of such care from the department of social and rehabilitation
29 services, nonprofit community mental health center, as provided in K.S.A.
30 19-4001 *et seq.*, and amendments thereto, nonprofit community facility
31 for the mentally retarded, as provided in K.S.A. 19-4001 *et seq.*, and
32 amendments thereto, or nonprofit independent living agency, as defined
33 in K.S.A. 65-5101, and amendments thereto, a uniform amount per per-
34 son as the cost to the local governmental entity, ~~public school district~~,
35 licensed child care facility operated by a not-for-profit corporation pro-
36 viding residential group foster care for children and receiving reimburse-
37 ment for all or part of such care from the department of social and re-
38 habilitation services, nonprofit community mental health center, as
39 provided in K.S.A. 19-4001 *et seq.*, and amendments thereto, nonprofit
40 community facility for the mentally retarded, as provided in K.S.A. 19-
41 4001 *et seq.*, and amendments thereto, or nonprofit independent living
42 agency, as defined in K.S.A. 65-5101, and amendments thereto, for the
43 contribution of the local governmental entity, ~~public school district~~, li-

1 censed child care facility operated by a not-for-profit corporation provid-
2 ing residential group foster care for children and receiving reimburse-
3 ment for all or part of such care from the department of social and
4 rehabilitation services, nonprofit community mental health center, as pro-
5 vided in K.S.A. 19-4001 *et seq.*, and amendments thereto, nonprofit com-
6 munity facility for the mentally retarded, as provided in K.S.A. 19-4001
7 *et seq.*, and amendments thereto, or nonprofit independent living agency,
8 as defined in K.S.A. 65-5101, and amendments thereto, for persons partic-
9 ipating in the state health care benefits program. Such amounts may
10 include the costs of administering the program.

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

16 Sec. 8. K.S.A. 75-6509 is hereby amended to read as follows: 75-
17 6509. ~~Commencing with the regular session of the legislature in 1985 and~~
18 ~~with~~ *On or before the first day of each regular session of the legislature*
19 ~~thereafter~~, the Kansas state employees health care commission shall sub-
20 mit to the president of the senate and to the speaker of the house of
21 representatives, on the day the governor's budget report is submitted to
22 the legislature, recommendations with respect to the state health care
23 benefits program *and the school district health care benefits program*
24 together with estimates of the cost of ~~the program such programs~~ *such programs* pro-
25 posed by the commission, including a five-year projection of the cost of
26 ~~the program such programs~~. Together with the recommendations sub-
27 mitted, the commission shall include alternatives for cost containment
28 and benefit coverage ~~for qualified persons~~ for both the proposed program
29 and the five-year projected program. The commission ~~shall~~ *shall* also sub-
30 mit any recommendations for legislation with respect to the state health
31 care benefits program *and the school district health care benefits*
32 *program*.

33 Sec. 9. K.S.A. 75-6510 is hereby amended to read as follows: 75-
34 6510. (a) In exercising and performing the powers, duties and functions
35 prescribed by K.S.A. 75-6501 to 75-6511, inclusive, *and amendments*
36 *thereto*, the Kansas state employees health care commission may adopt
37 rules and regulations and enter into such contracts as may be necessary.

38 (b) The Kansas state employees health care commission may establish
39 an advisory committee to advise the commission on matters relating to
40 health care benefits of state officers and employees *and to persons qual-*
41 *ified to participate in the school district health care benefits program* and
42 to assist the commission in the development of policy with respect to such
43 benefits.

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

6 Sec. 10. K.S.A. 75-6504, 75-6505, 75-6506, 75-6508, 75-6509 and 75-
7 6510 are hereby repealed.

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

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