

SESSION OF 2004

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 542**

As Amended by Senate Committee on  
Financial Institutions and Insurance

**Brief\***

SB 542, as amended, relates to the use of social security numbers. The bill prohibits, on and after July 1, 2006, an insurance company, including a health maintenance organization (HMO), offering any type of accident and sickness policy, any insurer or HMO offering any type of coverage for prescription drugs or devices, and any issuer of a uniform prescription drug information card from printing or encoding an insured's social security number on or into the insured's policy card or drug card.

Any identifier assigned to the insured shall be a combination of numbers or letters, or both, which is unique to the cardholder. The identifier shall not in any way be based on or depend on the cardholder's social security number.

Should a federal law take effect that requires the Department of Health and Human Services to establish a national unique patient health identifier program, any person or entity complying with the federal law will be deemed in compliance with the provision of the Kansas law.

**Background**

SB 542 was requested by Senator Barbara Allen, who explained that the social security number is the most widely used identifier of a person in this country. Passage of the bill helps protect the privacy of personal information of Kansans by reducing the use of social security numbers as identifiers in the health care arena.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The bill, as amended, in part on the recommendation of the Kansas Association of Health Plans, allows sufficient time for all parties to implement its provisions and addresses compliance issues that arise should the federal government adopt a national patient identifier. The bill is supported by the Insurance Department and the Kansas Pharmacy Coalition.