



March 19, 2026

The Honorable Brenda Dietrich, Chairperson
Senate Committee on Financial Institutions and Insurance
300 SW 10th Avenue, Room 546-S
Topeka, Kansas 66612

Dear Senator Dietrich:

SUBJECT: Fiscal Note for SB 474 by Senator Sykes

In accordance with KSA 75-3715a, the following fiscal note concerning SB 474 is respectfully submitted to your committee.

SB 474 would enact the Kansas Short-Term Limited Duration Insurance Act. Short-term insurance plan means a policy that could be renewed for the greater of 36 months or the maximum period permitted under federal law, has a term of not more than 364 days, and has an annual limit of at least \$2.0 million. The short-term insurance plan would include coverage for ambulatory patient services, hospitalization, emergency services, and laboratory services. An insurer that issues a short-term insurance plan and undertakes a preferred provider plan would have to ensure the provider meets requirements listed in the bill. The bill would also require the issuer of a short-term insurance plan to make certain disclosures to an individual applying for coverage. The insurer could not require, as a condition of enrollment or continued enrollment, an individual to pay a premium greater than the premium for a similarly situated individual enrolled in a short-term insurance plan on the basis of a health status-related factor.

The Act would not prevent an insurer from establishing a premium discount, rebase or out-of-pocket payment modification in return for adherence to programs of health promotion and disease prevention. The Insurance Commissioner would be required to adopt rules and regulations to implement and administer the Act's provisions. The Commissioner could also adopt rules and regulations regulating short-term limited duration plans that are consistent with the Act's provisions.

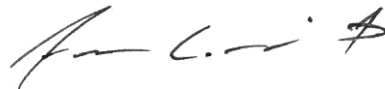
The Kansas Department of Insurance states that the Department would have the ability to check for essential community provider (ECP) compliance, but there is not currently a mechanism

in place by which to check for network adequacy compliance as required by the bill. The Department notes that KSA 40-4607 is not as stringent as the federal law with regard to network adequacy and therefore the federal government does the network adequacy reviews for the Department during Plan Management. There are vendors who do network adequacy reviews that could possibly be contracted with for this. The Department also notes that the bill is not clear about whether it applies to existing plans. The Department could have to contract with a vendor to do these reviews for both future and existing plans. The total fiscal effect cannot be estimated.

The Kansas Department of Administration states that the bill would not result in a fiscal effect for the agency. Any fiscal effect associated with SB 474 is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties reports that there could be a fiscal effect for counties that utilize the relevant policies; however, a total fiscal effect cannot be estimated. The League of Kansas Municipalities does not anticipate a fiscal effect for cities.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", followed by a stylized flourish or symbol.

Adam C. Proffitt
Director of the Budget

cc: Kyle Strathman, Department of Insurance
Samir Arif, Department of Administration
Wendi Stark, League of Kansas Municipalities
Bruce Chladny, Kansas Association of Counties