

HOUSE BILL No. 2716

By Committee on Appropriations

3-3

1 AN ACT concerning insurance; relating to government employer-
2 sponsored group health care benefits plans; implementing an exchange
3 platform for retirees; eliminating retirees from participation in the state
4 health care benefits program; amending K.S.A. 12-5040, 20-358, 20-
5 3208, 75-6504 and 75-6510 and K.S.A. 2015 Supp. 75-4101 and 75-
6 6501 and repealing the existing sections; also repealing K.S.A. 75-
7 6511.

8
9 *Be it enacted by the Legislature of the State of Kansas:*

10 Section 1. K.S.A. 12-5040 is hereby amended to read as follows: 12-
11 5040. (a) Each local government which provides an employer-sponsored
12 group health care benefits plan for the employees of the local government
13 ~~shall~~ *may* make coverage under such group health care benefits program,
14 *or a plan of similar design, network and cost offered through a retiree*
15 *exchange platform*, available to retired former employees and their
16 dependents, upon written application filed with the clerk or secretary
17 thereof within 30 days following retirement of the employee, as provided
18 by this section. Coverage under the employee group health care benefits
19 plan may cease to be made available upon: (1) The retired employee
20 attaining age 65; (2) the retired employee failing to make required
21 premium payments on a timely basis; or (3) the retired employee
22 becoming covered or becoming eligible to be covered under a plan of
23 another employer.

24 (b) Each such local government ~~shall~~ *may* make such coverage
25 available to all persons who were employed by the local government for
26 not less than 10 years and who retired from such employment ~~after~~
27 ~~December 31, 1988, and may make such coverage available to other~~
28 ~~retired employees and their~~ *to such retired persons'* dependents. Each such
29 retired employee who elects to continue such coverage may be required to
30 contribute to the employee group health benefits plan, including the
31 administrative costs thereof, but such contribution shall not exceed 125%
32 of the premium cost for other similarly situated employees. The local
33 government may pay for all or part of the cost of continuing the employee
34 group health care benefits plan coverage for such retired former employees
35 and their dependents.

36 (c) As used in this section, "local government" means any county,

1 city, township, special district, unified school district or any
2 instrumentality of any one or several of such governmental entities; and
3 "retired" means any employee who has terminated employment and is
4 receiving a retirement or disability benefit for service with the local
5 government from which they terminated employment.

6 Sec. 2. K.S.A. 20-358 is hereby amended to read as follows: 20-358.
7 With regard to district court officers and employees whose total salary is
8 payable by a county, such county shall either provide for insurance
9 coverage for hospitalization, medical services, surgical services and other
10 health services at least equal to insurance coverage provided to other state
11 officers and employees under the state health care benefits program or, if
12 such district court officers and employees are designated by the Kansas
13 state employees health care commission under ~~subsection (e)~~ of K.S.A. 75-
14 6501(c), *and amendments thereto*, as qualified to participate in the state
15 health care benefits program, shall pay the employer's costs for enrolling
16 such employees under the state health care benefits program. In the event a
17 county elects the latter type of coverage, counties shall remit the employer
18 and employee premiums to the Kansas state employees health care
19 commission in accordance with the directions of the commission, and
20 counties may adopt the same type payroll deduction plan for employee
21 premiums as provided in K.S.A. 75-6506. The provisions of K.S.A. 75-
22 6501 to ~~75-6511, inclusive~~, *through 75-6510, and amendments thereto*,
23 shall be applicable to such employees in the same manner as other persons
24 eligible to participate in the state health care benefits program.

25 Sec. 3. K.S.A. 20-3208 is hereby amended to read as follows: 20-
26 3208. On and after July 1, 2007, a retired justice of the supreme court,
27 retired judge of the court of appeals or retired judge of the district court
28 who retired pursuant to the retirement system for judges as provided
29 pursuant to the provisions of K.S.A. 20-2601 et seq., and amendments
30 thereto, may enter into a written agreement as provided in this section to
31 perform services for the commission on judicial performance while
32 receiving service retirement benefits pursuant to the provisions of the
33 retirement system for judges. Such retired justice or judge shall enter into a
34 written agreement with the judicial council, established pursuant to the
35 provisions of K.S.A. 20-2201, and amendments thereto, to perform duties
36 assigned by the judicial council to assist the commission in the judicial
37 performance evaluation process prescribed pursuant to the provisions of
38 K.S.A. 20-3201 et seq., and amendments thereto. Such retired justice or
39 judge shall be available to perform assigned duties for not more than 104
40 days or 40% of each year. Notwithstanding the provisions of law in effect
41 on the retirement date of a retired justice or judge, such justice or judge
42 shall receive a stipend, payable monthly, equal to 25% of the monthly
43 salary of such retired justice or judge at the time of retirement of such

1 retired justice or judge. Such agreement shall be for a period of not more
2 than two years. A retired justice or judge may enter into subsequent
3 agreements. ~~The judicial council is hereby authorized and may pay on~~
4 ~~behalf of such retired justice or judge the amount specified by the Kansas~~
5 ~~state employees health care commission under the provisions of K.S.A.~~
6 ~~75-6508, and amendments thereto, as if the retired justice or judge is~~
7 ~~servicing as a full-time employee of the judicial council and participating in~~
8 ~~the state health care benefits program to provide for such participation of~~
9 ~~the retired justice or judge. Any retired justice or judge entering into a~~
10 ~~written agreement with the judicial council to be available to perform~~
11 ~~assigned duties pursuant to this section for less than 104 days or 40% of~~
12 ~~each year for a proportionally reduced stipend shall be considered as if the~~
13 ~~retired justice or judge is serving under a part-time appointment as an~~
14 ~~employee of the judicial council and participating in the state health care~~
15 ~~benefits program to provide for such participation of the retired justice or~~
16 ~~judge, and the judicial council may pay on behalf of the retired justice or~~
17 ~~judge the amount specified by the Kansas state employees health care~~
18 ~~commission under the provisions of K.S.A. 75-6508, and amendments~~
19 ~~thereto. The monthly stipend provided by this act shall not be counted~~
20 ~~toward the annual limitation on compensation provided in K.S.A. 20-2616,~~
21 ~~and amendments thereto. A retired justice or judge who has fulfilled the~~
22 ~~requirements of an agreement entered into pursuant to this section may~~
23 ~~accept judicial assignments and be compensated in accordance with the~~
24 ~~provisions of K.S.A. 20-310b, 20-2616 and 20-2622, and amendments~~
25 ~~thereto. If an assignment given to a retired justice or judge pursuant to the~~
26 ~~provisions of this section will require the retired justice or judge to exceed~~
27 ~~the service limit provided in this section, the retired justice or judge shall~~
28 ~~be compensated in accordance with the provisions of K.S.A. 20-2616, and~~
29 ~~amendments thereto.~~

30 Sec. 4. K.S.A. 2015 Supp. 75-4101 is hereby amended to read as
31 follows: 75-4101. (a) There is hereby created a committee on surety bonds
32 and insurance, which shall consist of the state treasurer, the attorney
33 general and the commissioner of insurance or their respective designees.
34 The commissioner of insurance shall be the chairperson of the committee
35 and the director of purchases or the director's designee shall be ex officio
36 secretary. The committee shall meet on call of the chairperson and at such
37 other times as the committee shall determine but at least once each month
38 on the second Monday in each month. Meetings shall be held in the office
39 of the commissioner of insurance. The members of the committee shall
40 serve without compensation. The secretary shall be the custodian of all
41 property, records and proceedings of the committee. Except as provided in
42 this section and K.S.A. 74-4925, 74-4927, 75-6501 through ~~75-6511~~ 75-
43 6510 and K.S.A. 76-749, and amendments thereto, no state agency shall

1 purchase any insurance of any kind or nature or any surety bonds upon
2 state officers or employees, except as provided in this act. Except as
3 otherwise provided in this section, health care coverage and health care
4 services of a health maintenance organization for state officers and
5 employees designated under ~~subsection (c) of K.S.A. 75-6501(c)~~, and
6 amendments thereto, shall be provided in accordance with the provisions
7 of K.S.A. 75-6501 through ~~75-6511~~ 75-6510, and amendments thereto.

8 (b) The Kansas turnpike authority may purchase group life, health
9 and accident insurance or health care services of a health maintenance
10 organization for its employees or members of the highway patrol assigned,
11 by contract or agreement entered pursuant to K.S.A. 68-2025, and
12 amendments thereto, to police toll or turnpike facilities, independent of the
13 committee on surety bonds and insurance and of the provisions of K.S.A.
14 75-6501 through ~~75-6511~~ 75-6510, and amendments thereto. Such
15 authority may purchase liability insurance covering all or any part of its
16 operations and may purchase liability and related insurance upon all
17 vehicles owned or operated by the authority independent of the committee
18 on surety bonds and insurance and such insurance may be purchased
19 without complying with K.S.A. 75-3738 through 75-3744, and
20 amendments thereto. Any board of county commissioners may purchase
21 such insurance or health care services, independent of such committee, for
22 district court officers and employees any part of whose total salary is
23 payable by the county. Nothing in any other provision of the laws of this
24 state shall be construed as prohibiting members of the highway patrol so
25 assigned to police toll or turnpike facilities from receiving compensation
26 in the form of insurance or health maintenance organization coverage as
27 herein authorized.

28 (c) The agencies of the state sponsoring a foster grandparent or senior
29 companion program, or both, shall procure a policy of accident, personal
30 liability and excess automobile liability insurance insuring volunteers
31 participating in such programs against loss in accordance with
32 specifications of federal grant guidelines. Such agencies may purchase
33 such policy of insurance independent of the committee on surety bonds
34 and insurance and without complying with K.S.A. 75-3738 through 75-
35 3744, and amendments thereto.

36 (d) Any state educational institution as defined by K.S.A. 76-711, and
37 amendments thereto, may purchase insurance of any kind or nature except
38 employee health insurance. Such insurance shall be purchased on a
39 competitively bid or competitively negotiated basis in accordance with
40 procedures prescribed by the state board of regents. Such insurance may
41 be purchased independent of the committee on surety bonds and insurance
42 and without complying with K.S.A. 75-3738 through 75-3744, and
43 amendments thereto.

1 (e) The state board of regents may enter into one or more group
2 insurance contracts to provide health and accident insurance coverage or
3 health care services of a health maintenance organization for all students
4 attending a state educational institution as defined in K.S.A. 76-711, and
5 amendments thereto, and such students' dependents, except that such
6 insurance shall not provide coverage for elective procedures that are not
7 medically necessary as determined by a treating physician. The
8 participation by a student in such coverage shall be voluntary. In the case
9 of students who are employed by a state educational institution in a student
10 position, the level of employer contributions toward such coverage shall be
11 determined by the board of regents. The board of regents may adopt rules
12 and regulations necessary to administer and implement the provisions of
13 this section.

14 Sec. 5. K.S.A. 2015 Supp. 75-6501 is hereby amended to read as
15 follows: 75-6501. (a) Within the limits of appropriations made or available
16 therefor and subject to the provisions of appropriation acts relating thereto,
17 the Kansas state employees health care commission shall develop and
18 provide for the implementation and administration of a state health care
19 benefits program.

20 (b) (1) Subject to the provisions of paragraph (2), the state health care
21 benefits program may provide benefits for persons qualified to participate
22 in the program for hospitalization, medical services, surgical services,
23 nonmedical remedial care and treatment rendered in accordance with a
24 religious method of healing and other health services. The program may
25 include such provisions as are established by the Kansas state employees
26 health care commission, including, but not limited to, qualifications for
27 benefits, services covered, schedules and graduation of benefits,
28 conversion privileges, deductible amounts, limitations on eligibility for
29 benefits by reason of termination of employment or other change of status,
30 leaves of absence, military service or other interruptions in service and
31 other reasonable provisions as may be established by the commission.

32 (2) The state health care benefits program shall provide the benefits
33 and services required by K.S.A. 2015 Supp. 75-6524, and amendments
34 thereto.

35 (c) The Kansas state employees health care commission shall
36 designate by rules and regulations those persons who are qualified to
37 participate in the state health care benefits program, including active-~~and~~
38 ~~retired~~ public officers and employees and their dependents as defined by
39 rules and regulations of the commission. Such rules and regulations shall
40 not apply to students attending a state educational institution as defined in
41 K.S.A. 76-711, and amendments thereto, who are covered by insurance
42 contracts entered into by the board of regents pursuant to K.S.A. 75-4101,
43 and amendments thereto. In designating persons qualified to participate in

1 the state health care benefits program, the commission may establish such
2 conditions, restrictions, limitations and exclusions as the commission
3 deems reasonable. Such conditions, restrictions, limitations and exclusions
4 shall include the conditions contained in ~~subsection (d) of K.S.A. 75-~~
5 ~~6506(d), and amendments thereto. Each person who was formerly elected~~
6 ~~or appointed and qualified to an elective state office and who was covered~~
7 ~~immediately preceding the date such person ceased to hold such office by~~
8 ~~the provisions of group health insurance or a health maintenance~~
9 ~~organization plan under the law in effect prior to August 1, 1984, or the~~
10 ~~state health care benefits program in effect after that date, shall continue to~~
11 ~~be qualified to participate in the state health care benefits program and~~
12 ~~shall pay the cost of participation in the program as established and in~~
13 ~~accordance with the procedures prescribed by the commission if such~~
14 ~~person chooses to participate therein. No former or retired public officer or~~
15 ~~employee shall be qualified to participate in the state health care benefits~~
16 ~~program.~~

17 (d) (1) Commencing with the 2009 plan year that begins January 1,
18 2009, if a state employee elects the high deductible health plan and health
19 savings account, the state's employer contribution shall equal the state's
20 contribution to any other health benefit plan offered by the state. The cost
21 savings to the state for the high deductible health plan shall be deposited
22 monthly into the employee's health savings account up to the maximum
23 annual amount allowed pursuant to ~~subsection (d) of 26 U.S.C. § 223(d),~~
24 as amended, for as long as the employee participates in the high deductible
25 plan.

26 (2) If the employee had not previously participated in the state health
27 benefits plan, the employer shall calculate the average savings to the
28 employer of the high deductible plan compared to the other available plans
29 and contribute that amount monthly to the employee's health savings
30 account up to the maximum annual amount allowed pursuant to ~~subsection~~
31 ~~(d) of 26 U.S.C. § 223(d), as amended.~~

32 (3) The employer shall allow additional voluntary contributions by
33 the employee to their health savings account by payroll deduction up to the
34 maximum annual amount allowed pursuant to ~~subsection (d) of 26 U.S.C.~~
35 ~~§ 223(d), as amended.~~

36 (e) The commission shall have no authority to assess charges for
37 employer contributions under the student health care benefits component
38 of the state health care benefits program for persons who are covered by
39 insurance contracts entered into by the board of regents pursuant to K.S.A.
40 75-4101, and amendments thereto.

41 (f) Nothing in this act shall be construed to permit the Kansas state
42 employees health care commission to discontinue the student health care
43 benefits component of the state health care benefits program until the state

1 board of regents has contracts in effect that provide student coverage
 2 pursuant to the authority granted therefor in K.S.A. 75-4101, and
 3 amendments thereto.

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

8 (1) Enter into one or more group insurance contracts to provide
 9 coverage for all or part of the state 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 administer the self-funded program or contract for all or part of the
 13 administration of the self-funded program;

14 (3) provide for the self-administration of all or part of the state health
 15 care benefits program;

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

18 (5) enter into contracts in accordance with the provisions of K.S.A.
 19 75-6505, and amendments thereto, with one or more health maintenance
 20 organizations for the provision of health care services; or

21 (6) any combination of the authority granted under this subsection
 22 (a).

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

33 (c) *The Kansas state employees health care commission is hereby*
 34 *authorized to negotiate and enter into contracts with one or more third-*
 35 *party administrators to implement a retiree exchange platform for health*
 36 *care coverage for retired public officers and employees and their*
 37 *dependents.*

38 (d) The provisions of K.S.A. 75-4317 through 75-4320a, and
 39 amendments thereto, shall not apply to meetings of the Kansas state
 40 employees health care commission when the commission meets solely for
 41 the purpose of:

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

1 (2) considering health care matters relating to individually
2 identifiable plan participants.

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

10 Sec. 7. K.S.A. 75-6510 is hereby amended to read as follows: 75-
11 6510. (a) In exercising and performing the powers, duties and functions
12 prescribed by K.S.A. 75-6501 ~~to 75-6511, inclusive through 75-6510, and~~
13 *amendments thereto*, the Kansas state employees health care commission
14 may adopt rules and regulations and enter into such contracts as may be
15 necessary.

16 (b) The Kansas state employees health care commission may
17 establish an advisory committee to advise the commission on matters
18 relating to health care benefits of state officers and employees and to assist
19 the commission in the development of policy with respect to such benefits.

20 (c) The Kansas state employees health care commission shall
21 maintain an ongoing study and review of the state health care benefits
22 program in order to make necessary improvements therein and to make
23 recommendations thereon under K.S.A. 75-6509, *and amendments thereto*.

24 Sec. 8. K.S.A. 12-5040, 20-358, 20-3208, 75-6504, 75-6510 and 75-
25 6511 and K.S.A. 2015 Supp. 75-4101 and 75-6501 are hereby repealed.

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