

SENATE BILL No. 35

By Committee on Financial Institutions and Insurance

1-22

1 AN ACT concerning insurance; relating to health insurance; providing for
2 short-term, limited-duration health plans; amending K.S.A. 2018 Supp.
3 40-2,193 and repealing the existing section.
4

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

6 Section 1. K.S.A. 2018 Supp. 40-2,193 is hereby amended to read as
7 follows: 40-2,193. (a) For the purposes of this section:

8 (1) "Specially designed policy" means an insurance policy that by
9 design may not meet all or part of the definitions of a group or individual
10 sickness and accident insurance policy and includes temporary sickness
11 and accident insurance on a short-term, *limited-duration* basis.

12 (2) "Short-term, *limited-duration*" means an insurance policy period
13 of ~~six months or less than 12 months, based upon policy design, which~~
14 ~~that offers not more than one renewal period or extension periods up to a~~
15 ~~maximum policy period of 36 months total duration,~~ with or without a
16 requirement of medical re-underwriting or medical requalification.

17 (A) Because a short-term, *limited-duration* policy addresses the
18 special needs for temporary coverage, a short-term, *limited-duration*
19 policy is not subject to continuation provisions of the health insurance
20 portability and accountability act of 1996 (public law 104-191).

21 (B) Because a short-term, *limited-duration* policy addresses the
22 special needs for temporary coverage, a short-term, *limited-duration*
23 policy shall be exempt from medical loss ratio calculations associated with
24 individual sickness and accident insurance issued within the state unless
25 such calculation excludes any monthly administration fee associated with
26 the sale of such policy.

27 ~~(b) Specially designed policies shall include policies designed to~~
28 ~~provide sickness and accident insurance for specific coverage of benefits~~
29 ~~or services that may be excluded as benefits or services cited under K.S.A.~~
30 ~~2018 Supp. 40-2,192, and amendments thereto. Specially designed policies~~
31 ~~may include the following stand-alone policies and coverages:~~

- 32 ~~(1) Chiropractic plans;~~
- 33 ~~(2) acupuncture coverage plans;~~
- 34 ~~(3) holistic medical treatment plans;~~
- 35 ~~(4) podiatrist plans;~~
- 36 ~~(5) pharmacy plans;~~

1 ~~(6) psychiatric plans;~~
2 ~~(7) allergy plans; and~~
3 ~~(8) such other stand-alone plans or combinations of plans of accepted~~
4 ~~traditional and nontraditional medical practice as shall be allowable for~~
5 ~~exclusion from group or individual plans under K.S.A. 2018 Supp. 40-~~
6 ~~2,192, and amendments thereto.~~

7 ~~(e)~~—No specially designed policy shall be deemed to be included
8 under the definition of group sickness and accident insurance, including
9 short-term, limited-duration health insurance, issued or renewed inside or
10 outside of this state and covering persons residing in this state.

11 ~~(c)~~ *Any insurance company issuing short-term, limited-duration*
12 *health insurance shall include the following statement, printed in 14-point*
13 *font, in its contracts and application materials, whether for initial*
14 *enrollment, renewal or extension:*

15 *"This coverage is not required to comply with certain federal market*
16 *requirements for health insurance, principally those contained in the*
17 *Affordable Care Act. Be sure to check your policy carefully to make sure*
18 *you are aware of any exclusions or limitations regarding coverage of*
19 *preexisting conditions or health benefits (such as hospitalization,*
20 *emergency services, maternity care, preventive care, prescription drugs,*
21 *and mental health and substance use disorder services). Your policy might*
22 *also have lifetime and/or annual dollar limits on health benefits.*

23 *If this coverage expires or you lose eligibility for this coverage, you*
24 *might have to wait until an open enrollment period to get other health*
25 *insurance coverage. Also, this coverage is not "minimum essential*
26 *coverage." If you don't have minimum essential coverage for any month in*
27 *a tax year, you may have to make a payment when you file your tax return*
28 *unless you qualify for an exemption from the requirement that you have*
29 *health coverage for that month."*

30 Sec. 2. K.S.A. 2018 Supp. 40-2,193 is hereby repealed.

31 Sec. 3. This act shall take effect and be in force from and after its
32 publication in the Kansas register.