

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

The Committee on **Insurance** recommends **HB 2834** be amended on page 2, in line 29, by striking "employees" and inserting "employee";

On page 3, by striking all in lines 38 through 43;

By striking all on pages 4 and 5;

On page 6, by striking all in lines 1 through 10; following line 10, by inserting:

"New Sec. 7. (a) All powers, duties and functions of the staff of the division of the state employee health benefits plan of the department of administration established in K.S.A. 44-575 through 44-580, and 75-7405(c)(8), and amendments thereto, and any other statute involving the administration of the state workers compensation self-insurance fund are hereby transferred to and imposed upon the insurance department, under the direction of the commissioner of insurance.

(b) The balances of all funds or accounts thereof appropriated or reappropriated for the division of the state employee health benefits plan of the department of administration or any state agency, department, board, commission or council, relating to the powers, duties and functions involving the administration of the state workers compensation self-insurance fund are hereby transferred within the state treasury to the insurance department and shall be used only for the purpose for which the appropriation or reappropriation was originally made. Liability for all accrued compensation or salaries of officers and employees who are transferred to the insurance department pursuant to this section shall be assumed and paid by the insurance department.

(c) Except as provided in this section, the commissioner of insurance shall be the successor in every way to the powers, duties and functions of the secretary of administration that relate to the state workers compensation self-insurance fund, in which the same were vested prior to July 1, 2024.

(d) All orders and directives of the secretary of administration that relate to the state workers compensation self-insurance fund in existence immediately prior to July 1, 2024, shall continue to be effective and shall be deemed to be the orders or directives of the commissioner of insurance, until revised, amended, repealed or nullified pursuant to law.

(e) The commissioner of insurance shall succeed to all property, property rights, contracts and records that were used for or pertain to the performance of the powers, duties and functions transferred to the commissioner of insurance from the division of the state employee health benefits plan of the department of administration pursuant to this section. Any conflict as to the proper disposition of property, property rights, contracts and records arising under this section shall be resolved by the commissioner of insurance, whose decision shall be final.

(f) All officers and employees of the division of the state employee health benefits plan of the department of administration who, immediately prior to July 1, 2024, are engaged in the exercise and performance of the powers, duties and functions involving the administration of the state workers compensation self-insurance fund and transferred by this section, as well as all officers and employees of the department of administration who are determined by the commissioner of insurance to be engaged in providing administrative, technical or other support services that are essential to the exercise and performance of the powers, duties and functions transferred by this section, are hereby transferred to the insurance department, under the direction of the commissioner of insurance. All classified officers and employees so transferred shall retain their status as classified employees.

(g) Officers and employees of the division of the state employee health benefits plan of the department of administration transferred by this section shall retain all retirement benefits and leave balances and rights that had accrued or vested prior to the date of transfer. The service of each such officer or employee so transferred shall be deemed to have been continuous. Any subsequent transfers, layoffs or abolition of classified service positions under the Kansas civil service act shall be made in accordance with the civil service laws and any rules and regulations adopted thereunder. Nothing in this section shall affect the classified status of any transferred person employed by the division of the state employee health benefits plan of the department of administration prior to the date of transfer.

Sec. 8. K.S.A. 44-512 is hereby amended to read as follows: 44-512. Workers compensation payments shall be made at the same time, place and in the same manner as the wages of the worker were payable at the time of the accident, but upon the application of either party the administrative law judge may modify such requirements in a particular case as the administrative law judge deems just, except that: (a) Payments from the workers compensation fund established by K.S.A. 44-566a, and amendments thereto, shall be made in the manner approved by the commissioner of insurance; (b) payments from the state workers compensation self-insurance fund established by K.S.A. 44-575, and amendments thereto, shall be made in a manner approved by the ~~secretary of health and environment~~ commissioner of insurance; and (c) whenever temporary total disability compensation is to be paid under the workers compensation act, payments shall be made only in cash, by check or in the same manner that the employee is normally compensated for salary or wages and not by any other means, except that any such compensation may be paid by warrant of the director of accounts and reports issued for payment of such compensation from the workers compensation fund or the state workers compensation self-insurance fund under the workers compensation act.

Sec. 9. K.S.A. 44-575 is hereby amended to read as follows: 44-575. (a) As used in K.S.A. 44-575 through 44-580, and amendments thereto, "state agency" means the state, or any department or agency of the state, but not including the Kansas turnpike authority, the university of Kansas hospital authority, any political subdivision of the state or the district court with regard to district court officers or employees whose total salary is payable by counties.

(b) For the purposes of providing for the payment of compensation for claims arising on and after July 1, 1974, and all other amounts required to be paid by any state agency as a self-insured employer under the workers compensation act and any amendments or additions thereto, there is hereby established the state workers compensation self-insurance fund in the state treasury. The name of the state workmen's compensation self-insurance fund is hereby changed to the state workers compensation self-insurance fund. Whenever the state workmen's compensation self-insurance fund is referred to or designated by any statute, contract or other document, such reference or designation shall be deemed to apply to the state workers compensation self-insurance fund.

(c) The state workers compensation self-insurance fund shall be liable to pay: (1) All compensation for claims arising on and after July 1, 1974, and all other amounts required to be paid by any state agency as a self-insured employer under the workers compensation act and any amendments or additions thereto; (2) the amount that all state agencies are liable to pay of the "carrier's share of expense" of the administration of the office of the director of workers' compensation as provided in K.S.A. 74-712 through 74-719, and amendments thereto, for each fiscal year; (3) all compensation for claims remaining from the self-insurance program which existed prior to July 1, 1974, for institutional employees of the commission of community services and programs of the Kansas department for aging and disability services; (4) the cost of administering the state workers compensation self-insurance fund including the defense of such

fund and any costs assessed to such fund in any proceeding to which it is a party; and (5) the cost of establishing and operating the state workplace health and safety program under subsection (f). For the purposes of K.S.A. 44-575 through 44-580, and amendments thereto, all state agencies are hereby deemed to be a single employer whose liabilities specified in this section are hereby imposed solely upon the state workers compensation self-insurance fund and such employer is hereby declared to be a fully authorized and qualified self-insurer under K.S.A. 44-532, and amendments thereto, but such employer shall not be required to make any reports thereunder.

(d) ~~The secretary of health and environment~~ commissioner of insurance shall administer the state workers compensation self-insurance fund and all payments from such fund shall be upon warrants of the director of accounts and reports issued pursuant to vouchers approved by ~~the secretary of health and environment~~ commissioner of insurance or a person or persons designated by ~~the secretary~~ commissioner. The director of accounts and reports may issue warrants pursuant to vouchers approved by ~~the secretary~~ commissioner of insurance for payments from the state workers compensation self-insurance fund notwithstanding the fact that claims for such payments were not submitted or processed for payment from money appropriated for the fiscal year in which the state workers compensation self-insurance fund first became liable to make such payments.

(e) ~~The secretary of health and environment~~ commissioner of insurance shall remit all moneys received by or for ~~the secretary~~ commissioner in the capacity as administrator of the state workers compensation self-insurance fund, to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state workers compensation self-insurance fund.

(f) There is hereby established the state workplace health and safety program within the

state workers compensation self-insurance program of the ~~insurance department of health and environment~~. The ~~secretary of health and environment~~ commissioner of insurance shall implement and the division of industrial health and safety of the Kansas department of labor shall assist in administering the state workplace health and safety program for state agencies. The state workplace health and safety program shall include, but not be limited to:

- (1) Workplace health and safety hazard surveys in all state agencies, including onsite interviews with employees;
- (2) workplace health and safety hazard prevention services, including inspection and consultation services;
- (3) procedures for identifying and controlling workplace hazards;
- (4) development and dissemination of health and safety informational materials, plans, rules and work procedures; and
- (5) training for supervisors and employees in healthful and safe work practices.

Sec. 10. K.S.A. 44-577 is hereby amended to read as follows: 44-577. (a) All claims for compensation under the workers compensation act against any state agency for claims arising on and after July 1, 1974, and claims for compensation remaining from the self-insurance program which existed prior to July 1, 1974, for institutional employees of the commission of community services and programs of the Kansas department for aging and disability services shall be made against the state workers compensation self-insurance fund. Such claims shall be served upon the ~~secretary of health and environment~~ commissioner of insurance in the ~~secretary's~~ commissioner's capacity as administrator of the state workers compensation self-insurance fund in the manner provided for claims against other employers under the workers compensation act. The chief attorney for the ~~insurance department of health and environment~~, or another attorney of the ~~insurance department of health and environment~~ designated by the chief attorney, shall represent

and defend the state workers compensation self-insurance fund in all proceedings under the workers compensation act.

(b) ~~The secretary of health and environment~~ commissioner of insurance shall investigate, or cause to be investigated, each claim for compensation against the state workers compensation self-insurance fund. For the purposes of such investigations, ~~the secretary of health and environment~~ commissioner of insurance is authorized to obtain expert medical advice regarding the injuries, occupational diseases and disabilities involved in such claims. If, based upon such investigation and any other available information, ~~the secretary of health and environment~~ commissioner of insurance finds that there is no material dispute as to any issue involved in the claim, that the claim is valid and that the claim should be settled by agreement, ~~the secretary of health and environment~~ commissioner of insurance may proceed to enter into such an agreement with the claimant, for the state workers compensation self-insurance fund. Any such agreement may provide for lump-sum settlements subject to approval by the director and all such agreements shall be filed in the office of the director for approval as provided in K.S.A. 44-527, and amendments thereto. All other claims for compensation against such fund shall be paid in accordance with the workers compensation act pursuant to final awards or orders of an administrative law judge or the board or pursuant to orders and findings of the director under the workers compensation act.

(c) For purposes of the workers compensation act, a volunteer member of a regional emergency medical response team as provided in K.S.A. 48-928, and amendments thereto, shall be considered a person in the service of the state in connection with authorized training and upon activation for emergency response, except when such duties arise in the course of employment or as a volunteer for an employer other than the state.

Sec. 11. K.S.A. 44-578 is hereby amended to read as follows: 44-578. ~~The secretary of~~

~~health and environment~~ commissioner of insurance may adopt rules and regulations necessary for the administration of the state workers compensation self-insurance fund, including the processing and settling of claims for compensation made against such fund.";

On page 7, in line 23, after the first "K.S.A." by inserting "44-512, 44-575, 44-577, 44-578,"; in line 25, after "75-37,169" by inserting ", 75-37,170, 75-37,171";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking "state health care benefits program" and inserting "commissioner of insurance; relating to the division of the state employee health benefits plan"; in line 2, by striking "such"; in line 3, by striking "program" and inserting "the state health care benefits program and the state workers compensation self-insurance fund"; in line 9, after "K.S.A." by inserting "44-512, 44-575, 44-577, 44-578 and"; in line 10, by striking "75-37,169 and"; in line 13, by striking "and" and inserting a comma; also in line 13, after "75-37,168" by inserting ", 75-37,169, 75-37,170 and 75-37,171"; and the bill be passed as amended.

Chairperson