

SESSION OF 2011

SUPPLEMENTAL NOTE ON SENATE BILL NO. 14

As Recommended by Senate Committee on
Financial Institutions and Insurance

Brief*

SB 14 would amend the Kansas Uninsurable Health Insurance Plan Act (the Act governing the administration of the State High Risk Pool) to:

- Allow the Kansas Health Insurance Association (the Pool's administrator) to accept children under the age of 19 who are otherwise eligible for the Pool, if no coverage is available under an individual health insurance policy for purchase in the county in which the child lives.
- Increase the statutory lifetime limit from \$2.0 million to \$3.0 million. Further, the bill would provide that in future years, the Board, subject to the approval of the Insurance Commissioner, is permitted to increase the maximum lifetime coverage for covered individuals.

The bill would take effect upon publication in the *Kansas Register*.

Background

The bill was introduced at the request of the Kansas Insurance Department whose representative indicated that in late 2010, the majority of insurance companies that market

*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>

individual coverage in Kansas advised the agency that they would no longer issue individual coverage to children under the age of 19. As a result of discussions between the agency and insurance industry representatives, the agency determined that amending the eligibility requirements for the Pool through legislation was the preferred way to ensure this type of coverage would be available to children under 19 in the future.

The agency representative also indicated that the increase in the lifetime benefit would allow the Pool to continue to provide coverage for enrollees with ongoing serious health conditions. The agency representative stated that the increase in the lifetime benefit likely would increase the expenses incurred by the Pool, which could result in increased premiums or an increase in the amount of the assessment paid by the insurance companies operating in the state.

There were no opponents to the bill at the time of the Committee hearing.

The fiscal note prepared by the Division of the Budget states that the Kansas Insurance Department indicates that the passage of the bill would have no fiscal effect upon its operations.