

**HOUSE COMMITTEE ON INSURANCE AND FINANCIAL INSTITUTIONS**

**Hon. Rep. Scott Schwab, Chair**  
**Hon. Rep. Jim Kelly, Vice Chair**  
**Hon. Rep. Roderick Houston, R. M. Member**  
**March 17, 2016, 3:30pm**  
**218-N**

Chief Judge Daniel D. Creitz  
Thirty-First Judicial District  
1 N. Washington  
Iola, KS 66749  
[dancreitz@acdc.kscoxmail.com](mailto:dancreitz@acdc.kscoxmail.com)

**NEUTRAL TESTIMONY ON HOUSE BILL 2716**

Thank you, Mr. Chairman, and this honorable committee for this opportunity to provide neutral testimony on HB 2716. I am Daniel D. Creitz, Chief Judge of the Thirty-First Judicial District, and a member of the Executive Board of the Kansas District Judges Association (KDJA) serving as the KDJA Legislative Co-Chair with James Fleetwood, Chief Judge of the Eighteenth Judicial District.

The KDJA respectfully requests that the senior judge program be exempted from the provisions of HB 2716. It is unclear whether senior judges and justices are included. A proposed amendment is attached to clarify that they would be exempted.

Senior judges are a cost effective and valuable resource for Kansas. These eleven judges or justices are retired and enter into a two-year contract where the judge or justice is available to serve for not more than 104 days or 40% of the year, but is only paid 25% of their pre-retirement salary. These senior judges serve all thirty-one judicial districts of Kansas and hear all types of cases. They are often called to service when a judge or justice dies, is seriously ill, hospitalized, has a close relative hospitalized or seriously ill, or the judge or justice retires. Senior judges serve when no judge in the district can hear the case due to conflicts of interest. These retired justices and judges are essential to the Judicial Branch.

The main financial incentive for these senior judges is the employer-paid health insurance benefit while serving as a senior judge. HB 2716 would allow senior judges or justices to participate in a, yet to be formulated, retiree exchange platform for health insurance coverage. However, the particulars of this platform are not specified in the bill.

The KDJA wants the senior judge program to continue to be attractive to potential applicants. In fact, HB 2716 may scrap the senior judge program. We urge you to carefully consider the effects of HB 2716 and to exempt the senior judge program from the provisions of this bill. The KDJA opposes HB 2716 if applicable to senior judges and justices.

Thank you,  
Hon. Daniel Dale Creitz  
Chief Judge 31<sup>st</sup> Judicial District

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.~~

This section does not apply to individuals who are presently employed by the state of Kansas.

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