



To: Chairman Jene Vickrey and Members of the House Insurance Committee  
From: Debra Zehr, President/CEO., LeadingAge Kansas  
Date: January 28, 2019

### **Opposition to House Bill 2055**

Thank you, Mr. Chairman and Members of the Committee. I am Debra Zehr, President and CEO of LeadingAge Kansas, the state association for not-for-profit long-term care and aging services. We have 160 members across Kansas, which include not-for-profit nursing homes, retirement communities, hospital long-term care units, assisted living, homes plus, housing, low-income housing, home health agencies, home and community based service programs, PACE and Meals on Wheels. Our members serve more than 25,000 older Kansans each day.

In response to member need, and after 2 years of legal, actuarial and other due diligence, LeadingAge Kansas launched a self-funded Multiple Employer Welfare Arrangement (MEWA) in 2018, under KSA 40-2222, 40-2222a and 40-2222b, to provide health insurance coverage to LeadingAge Kansas member employees. LeadingAge Kansas Employee Benefits, Inc. (EBI) is a 501(c)9 trust owned and governed by member employers. It is regulated by ERISA.

The plan has exceeded our expectations for providing cost-effective high quality coverage for our member employers. Our member employers have been very pleased with the plan and other members of the association have been looking to join the plan based on this success.

We strongly object to House Bill 2055, which would essentially outlaw self-funded association health plans except those specifically grandfathered by the statute and could have the effect of terminating our successful plan. LeadingAge Kansas is not one of the associations specifically listed in 40-2222 of the Kansas statutes. It adopted the plan under 40-2222(7) after meeting with Kansas Insurance Department to discuss the proposed design and operation of the plan.

At a time when health insurance costs are skyrocketing and benefits diminishing, it is good public policy to permit options for plans in which employers come together to meet employee health insurance needs, including self-funded plan options. Our plan has demonstrated how this type of coverage option can be successful in managing costs and providing high quality coverage.

We thank the Committee for its time and attention to these issues, and we are always happy to answer questions.