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MEMORANDUM

To: Senate Standing Committee on Financial Institutions and Insurance

From: Eileen Ma, Assistant Revisor of Statutes

Date: January 30, 2019

Subject: Bill Brief for SB 36

SB 36 amends K.S.A. 2018 Supp 40-2222, 40-2222a and 40-2222b pertaining to association health plans.

K.S.A. 40-2222 provides that persons or other entities that provide coverage for medical, surgical, chiropractic, physical therapy, speech pathology, audiology, professional mental health, dental, hospital or optometric expenses are presumed to be subject to the commissioner of insurance's jurisdiction. However, paragraphs one through nine on page 1, line 15 through page 2, line 26 specify certain association health plans as being exempt from that presumption. The bill strikes the generic exemption in paragraph (7) pertaining to any "qualified trade, merchant, retail or professional association or business league..." as those entities would qualify as association health plans under the new rule. The bill also strikes subsection (b) on page 2, lines 28-32, because it pertains to paragraph (7) that was struck, and redesignates sub elements in the bill.

The bill also amends K.S.A. 40-2222a and 40-2222b to correct internal references based on the amendments to K.S.A. 40-2222.

The bill would be effective upon April 1, 2019 and publication in the Kansas register, because the application date of the new rule to new self-insured association health plans is April 1.