

**CONFERENCE COMMITTEE REPORT BRIEF
SENATE BILL NO. 423**

As Agreed to April 2, 2024

Brief*

SB 423 would transfer authority over the Kansas State Employee Health Plan and the State Workers Compensation Self-Insurance Fund from the Department of Administration (DoA) to the Department of Insurance (Department) and establish the Commissioner of Insurance (Commissioner) as the Chairperson of the Kansas State Employees Health Care Commission. The bill would also make conforming amendments in related statutes to reflect the transfer.

The bill would authorize the Commissioner to decrease the number of board members on certain boards and reduce the frequency of meetings and to set the amount of fees and fines for required filings by certain insurance entities and public adjusters under the jurisdiction of the Commissioner and publish such fees and fines. The bill would also amend the definition of "person" in law regarding violations of insurance law.

Additionally, the bill would make technical amendments to ensure consistency in statutory phrasing and conforming changes to additional statutory sections.

[*Note:* References in the bill to the State Employee Health Care Benefits Program and the State Employee Health Benefits Plan are referred to here collectively as the State Employee Health Plan (SEHP).]

[*Note:* The section numbers throughout refer to the sections in the CCR.]

***Transfer of Authority Over Kansas State Employee Health Plan and State Workers
Compensation Self-Insurance Fund***

Kansas State Employee Health Plan

Transfer of authority (New Section 1). The bill would provide for all powers, duties, and functions of the staff of the division of the SEHP to transfer from the DoA to the Department under the direction of the Commissioner.

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <http://www.kslegislature.org/kIRD>

Transfer of employees (New Section 2). The bill would provide for all officers and employees of the division of the SEHP of the DoA who, immediately prior to July 1, 2026, are engaged in the exercise and performance of the powers, duties, and functions involved in the administration of the SEHP, as well as officers and employees of the DoA who are determined by the Commissioner 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 of the SEHP, to be transferred to the Department. All classified officers and employees so transferred would retain their status as classified employees.

Officers and employees of the SEHP division of the DoA transferred by the bill would retain all retirement benefits, leave balances, and rights that had accrued or vested prior to the date of transfer. The service of each transferred officer and employee would be considered continuous. Any subsequent transfers, layoffs, or abolition of classified service positions under the Kansas Civil Service Act would be made in accordance with civil service laws and adopted rules and regulations. Nothing in this section of the bill would affect the classified status of any transferred person employed by the DoA division of the SEHP prior to the date of transfer.

Notwithstanding the effective date of the bill, the provisions of the bill prescribing the transfer of officers and employees would commence at the start of a payroll period.

Department of Insurance (New Section 3). The bill would provide for the Department to be the successor in every way to the powers, duties, and functions of the division of the SEHP in the DoA involving administration of the SEHP.

Every act performed in the exercise of transferred powers, duties, and functions by or under the authority of the Department and the Commissioner involving the administration of the SEHP would be deemed to have the same force and effect as if performed by the division of the SEHP, the Secretary of Administration (Secretary), or the Director of the SEHP prior to the transfer.

The bill would provide for references to the division of the SEHP of the DoA or words of like effect in statute, contract, memorandum of agreement, or other document in reference to the powers, duties, and functions transferred to the Department to apply to the Department.

Additionally, all rules and regulations, orders, and directives of the division of the SEHP of the DoA that relate to the powers, duties, and functions transferred under the bill would be in effect on July 1, 2026, would continue to be effective, and would be deemed to be rules and regulations, orders, and directives of the Commissioner until revised, amended, repealed, or nullified.

Transfer of funds and accounts (New Section 4). The bill would provide for the balances of all funds or accounts appropriated or reappropriated for the division of the SEHP of the DoA relating to the powers, duties, and functions involving administration of the SEHP to be transferred within the State Treasury to the Department and 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 Department would be assumed and paid by the Department.

Transfer of Property, Property Rights, Contracts, and Records

Transfer of property, property rights, contracts, and records (New Section 5). The bill would provide for the Department to succeed to all property, property rights, contracts, and records that were used for or pertain to the performance of powers, duties, and functions involving the administration of the SEHP that were transferred to the SEHP of the DoA.

When any conflict arises as to the disposition of any personnel, property, property right, contract, record, power, duty, function, or the unexpended balance of any appropriation as the result of any transfer made by or under the bill, the bill would provide for the conflict to be resolved by the Commissioner, whose decision would be final.

Abatement (New Section 6). The bill would provide for no suit, action, or other proceeding, judicial or administrative, lawfully commenced, or that could have been commenced, by or against the division of the SEHP of the DoA or by or against the Secretary in their official duties to abate by reason of the transfer effected under the bill. The court could allow any such suit, action, or other proceeding to be maintained by or against the Department or the Commissioner.

The transfer effected under the bill would not abate any criminal action commenced or that could have been commenced by the State.

State Workers Compensation Self-Insurance Fund (New Section 7)

The bill would provide for all powers, duties, and functions of the staff of the division of the SEHP of the DoA regarding the State Workers Compensation Self-Insurance Fund (Fund) to be transferred and imposed upon the Department, under the discretion of the Commissioner.

The balances of all funds or accounts appropriated or reappropriated for the division of the SEHP of the DoA or any state agency, department, board, commission, or council, relating to the powers, duties, and functions of the administration of the Fund would be transferred within the State Treasury to the Department, to be used only for the purpose originally designated by the appropriation or reappropriation. Liability for all accrued compensation or salaries of officers or employees who are transferred to the Department under the bill would be assumed and paid by the Department.

The Commissioner would be the successor in every way to the powers, duties, and functions vested prior to July 1, 2026, to the Secretary that relate to the Fund.

All orders and directives of the Secretary that relate to the Fund in existence immediately prior to July 1, 2026, would continue to be effective and would be deemed the orders and directives of the Commissioner until revised, amended, repealed, or nullified.

Transfer of property. The Commissioner would 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 from the division of the SEHP of the DoA. Any conflict as to the proper disposition of property, property rights, contracts, and records would be resolved by the Commissioner, whose decision would be final.

Transfer of employees. The bill would provide for all officers and employees of the division of the SEHP of the DoA who, immediately prior to July 1, 2026, are engaged in the exercise and performance of the powers, duties, and functions involving the administration of the Fund, as well as officers and employees of the DoA who are determined by the Commissioner 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 of the SEHP, to be transferred to the Department, under the direction of the Commissioner. All classified officers and employees so transferred would retain their status as classified employees.

Officers and employees of the division of the SEHP of the DoA transferred by the bill would retain all retirement benefits, leave balances, and rights that had accrued or vested prior to the date of transfer. The service of each transferred officer and employee would be considered continuous. Any subsequent transfers, layoffs, or abolition of classified service positions under the Kansas Civil Service Act would be made in accordance with civil service laws and adopted rules and regulations. Nothing in this section of the bill would affect the classified status of any transferred person employed by the division of the SEHP of the DoA prior to the date of transfer.

Other Authorities Related to the Fund (Sections 39–42)

The bill would transfer authority over workers compensation payments, the state Workplace Health and Safety Program, claims for compensation under the Workers Compensation Act, and rules and regulations related to the administration of the Fund from the Department of Health and Environment, under the direction of the Secretary of Health and Environment, to the Department, under the direction of the Commissioner.

Health Care Commission (Sections 45 and 46)

Under the bill, the Commissioner would be the Chairperson of the Health Care Commission. The Commissioner would administer all budgeting, purchasing, and related management functions of the Health Care Commission, except as otherwise provided. The technical administrator for the State Health Benefits program would be appointed by and under the direction and supervision of the Commissioner. The bill would require the Commissioner to provide such additional assistance as may be requested by the Commission within the limits of available appropriations.

Repeal of Statutes (Section 47)

The bill would repeal KSA 75-6506a, regarding a pilot program within SEHP, and KSA 75-37,162 through KSA 75-37,171, regarding Executive Reorganization Order No. 45 (ERO 45), which moved the SEHP from the Department of Health and Environment to the DoA in 2020.

Delayed Repeal of Statutes (Section 48)

The bill would delay to on and after July 1, 2026, the repeal of certain statutes to correspond to the delay in transfer of authority over the SEHP and the State Workers Compensation Self-Insurance Fund to the Commissioner.

Definition of “Person” for Violations of Insurance Law (Section 11)

The bill would amend the definition of “person” in law regarding violations of insurance law to remove references to specific entities under the jurisdiction of the Commissioner for the purpose of determining violations of Kansas insurance law.

Commissioner Authority for Reductions in Board Membership and Meeting Requirements

The bill would authorize the Commissioner to decrease the number of appointed board members on certain boards that fall under the Commissioner’s appointing authority. The bill would also remove a requirement for the Committee on Surety Bonds and Insurance to meet at least once per month and make technical changes.

Board Membership

The bill would provide for a reduction in membership for five governing boards under the jurisdiction of the Commissioner, including:

- The governing board for the Kansas Automobile Insurance Plan;
- The Kansas Workers Compensation Insurance Plan Governing Board;
- The governing board for the Kansas Automobile Assigned Claims Plan;
- The Health Care Provider Insurance Availability Plan Board of Directors; and
- The Kansas Underground Storage Tank Liability Plan Board of Directors.

For each governing board, with the exception of the Kansas Automobile Assigned Claims Plan, the bill would provide for the terms of members appointed and serving on the governing board as of July 1, 2024, to expire on December 31, 2024.

Kansas Automobile Insurance Plan (Section 15). The bill would provide for a reduction in membership for the governing board of the Kansas Automobile Insurance Plan from seven members to five members.

The Commissioner would appoint a governing board for the plan, which would serve on and after January 1, 2025, and would have the same duties and functions as its predecessor. On and after January 1, 2025, the members of the governing board would serve three-year terms, except that members would be removable by the Commissioner for inefficiency, neglect of duty, or malfeasance. The governing board would consist of five members to be appointed as follows:

- Three members would be representatives of insurers;
- One member would be a representative of independent insurance agents; and
- One member would be a representative of the general public.

In making appointments to the governing board, the Commissioner would consider if foreign and domestic insurers are fairly represented.

Kansas Workers Compensation Insurance Plan Governing Board (Section 16). The bill would provide for a reduction in membership for the Kansas Workers Compensation Insurance Plan Governing Board from seven members to five members.

The Commissioner would appoint a governing board that would serve on and after January 1, 2025, and would have the same duties and functions as its predecessor. On and after January 1, 2025, the members of the Kansas Workers Compensation Insurance Plan Governing Board would serve three-year terms, except that members would be removable by the Commissioner for inefficiency, neglect of duty, or malfeasance. The governing board would consist of five members to be appointed as follows:

- Three members would be representatives of insurers;
- One member would be a representative of independent insurance agents; and
- One member would be a representative of the general public.
- In making appointments to the governing board, the Commissioner would consider if foreign and domestic insurers are fairly represented.

Kansas Automobile Assigned Claims Plan (Section 20). The bill would state that on and after January 1, 2025, the governing board for the Kansas Automobile Assigned Claims Plan would consist of five members, who would be removable by the Commissioner for inefficiency, neglect of duty, or malfeasance. Members would be appointed as follows:

- Three members would be representatives of insurers;
- One member would be a representative of independent insurance agents; and
- One member would be a representative of the general public.

The Commissioner would be required to consider whether foreign and domestic insurers are fairly represented in selecting the members.

[*Note:* Effective January 1, 2024, the Kansas Automobile Assigned Claims Plan is now managed by AIPSO, a national, not-for-profit corporation formed by the insurance industry to provide services to automobile insurance residual markets throughout the country.]

Health Care Provider Insurance Availability Plan Board of Directors (Section 23). The bill would provide for a reduction in membership for the Health Care Provider Insurance Availability Plan Board of Directors from nine members to five members.

The Commissioner would appoint a governing board that would serve on and after January 1, 2025, and would have the same duties and functions as its predecessor. On and after January 1, 2025, the members of the Health Care Provider Insurance Availability Plan Board of Directors would serve four-year terms, except that members would be removable by the Commissioner for inefficiency, neglect of duty, or malfeasance. The governing board would consist of five members to be appointed as follows:

- One member would be a representative of foreign insurers;
- One member would be a representative of domestic insurers;

- One member would be a health care provider;
- One member would be a licensed insurance agent engaged in the solicitation of casualty insurance; and
- One member would be the chairperson of the Board of Directors or the chairperson's designee.

Kansas Underground Storage Tank Liability Plan Board of Directors (Section 43).

The bill would provide for a reduction in membership for the Kansas Underground Storage Tank Liability Plan Board of Directors from five members to three members.

The Commissioner would appoint a governing board that would serve on and after January 1, 2025, and would have the same duties and functions as its predecessor. On and after January 1, 2025, the members of the Kansas Underground Storage Tank Liability Plan Board of Directors would serve three-year terms, except that members would be removable by the Commissioner for inefficiency, neglect of duty, or malfeasance. The board would meet at least annually to review and prescribe operating rules of the plan. The board would consist of three members to be appointed as follows:

- One member would be a representative of domestic or foreign insurers;
- One member would be a representative of independent insurance agents; and
- One member would be a representative of underground storage tank owners and operators.

Board Meetings (Section 44)

The bill would remove a requirement for the Committee on Surety Bonds and Insurance to meet at least once per month. Meetings would remain at the call of the chair.

Setting of Fees and Fines for Required Filings by Insurance Entities and Public Adjusters

The bill would authorize the Commissioner to set the amounts of fees and fines for applications, licenses, license renewals, certificates of authority, and other required filings by certain insurance entities and public adjusters under the jurisdiction of the Commissioner. The bill would set the fees and fines for insurance entities and public adjusters currently established in statute as the fee and fine ceilings for the services outlined in the table that follows.

The bill would also require the Commissioner to set the fees and fines for the next succeeding calendar year and publish those in the *Kansas Register* no later than December 1 of each calendar year.

Modification of Fees and Fines for Certain Insurance Entities and Public Adjusters		
CCR Section	Statute	Affected Fee or Fine
8	KSA 40-205a	Application fee for license to engage in business of selling stock
9	KSA 40-218	Fee for insurance companies or fraternal benefit societies to file a summons or order of garnishment
10	KSA 40-252	Admission and annual fees for the following entities organized under Kansas law or under the laws of any other state, territory, or country: capital stock insurance companies and mutual legal reserve life insurance companies; mutual life, accident, and health associations; mutual fire, hail, casualty, and multiple line insurers and reciprocal or interinsurance exchanges; fraternal benefit societies; mutual nonprofit hospital service corporations; nonprofit medical service corporations; nonprofit dental service corporations; nonprofit optometric service corporations; and nonprofit pharmacy service corporations
12	KSA 40-2,133	Notification fee for utilizing the services of managing general agents
13	KSA 40-504	Application fee for certificate of authority for life insurance companies
14	KSA 40-956	Application fee for license as a rating organization
17	KSA 40-22a04	Application fee for certificate of authority for utilization review organizations
18	KSA 40-2604	Continuation fee for license as a premium finance company
19	KSA 4-2702	Annual registration fee for certificate of authority to transact life, accident, and health insurance business in the state
21	KSA 40-3213	Fees for filing an application for a certificate of authority, filing an annual report, and for filing an amendment to the certificate of authority for health maintenance organizations and Medicare provider organizations
22	KSA 40-3304	Filing fee for transactions affecting control of domestic insurers
24	KSA 40-3812	Application fee for licensure as a home state third party administrator (TPA)
25	KSA 40-3813	Application fee for licensure as a nonresident TPA
26	KSA 40-3814	Fee to file an annual report by a TPA
27	KSA 2023 Supp. 40-3823	Application fee for licensure as a pharmacy benefit manager (PBM) and penalty fee for failure to timely inform the Commissioner of a material change in the application information
28	KSA 2023 Supp. 40-3824	PBM license renewal fee and penalty fee for late license renewal
29	KSA 40-4103	Notification fee for risk retention groups to do business in the state
30	KSA 40-4116	Notification fee to do business in the state as a purchasing group

Modification of Fees and Fines for Certain Insurance Entities and Public Adjusters		
31	KSA 2023 Supp. 40-4209	Annual continuation fee for certificate of registration as a prepaid service plan
32	KSA 2023 Supp. 40-4302	Fees for certificate of authority and annual renewal for captive insurance companies
33	KSA 40-4323	License renewal fee for dormant captive insurance companies
34	KSA 40-4334	Fees for application for certificate of authority and annual renewal for special purpose insurance captive insurance companies
35	KSA 40-4503	Fees for application for licensure and annual continuation as a reinsurance intermediary
36	KSA 2023 Supp. 40-4903	Continuing education credit qualification fee for all courses, programs of study, or subjects submitted by a specific provider or provider organization and an annual provider fee
37	KSA 40-5003	Fees for application for licensure and annual renewal to operate as a viatical settlement provider or a viatical settlement broker
38	KSA 40-5509	Public adjuster license renewal fee

Conference Committee Action

The Conference Committee agreed to the provisions of SB 423, as recommended by the Senate Committee on Financial Institutions and Insurance, pertaining to the Commissioner's authority to reduce the membership of certain boards and the frequency of certain meetings. The Conference Committee also agreed to add the following provisions:

- HB 2834, as passed by the House, with a delay in the effective date of the transfer of the SEHP and State Workers Compensation Self-Insurance Fund to the Department and the corresponding changes to effectuate the transfer to July 1, 2026;
- HB 2530, as passed by the House, regarding the definition of "person" for violations of insurance law; and
- HB 2715, as passed by the House, regarding fees and fines for required filings by insurance entities and public adjusters.

The Conference Committee further agreed to restore the effective date of all bills to be upon publication in the statute book.

Background

This Conference Committee report contains provisions of SB 423, HB 2530, HB 2715, and HB 2834 with a delay in the transfer of the SEHP and State Workers Compensation Self-Insurance Fund to the Department. The background information concerning these bills follows.

SB 423 (Commissioner Authority for Reductions in Board Membership and Meeting Requirements)

The bill was introduced by the Senate Committee on Financial Institutions and Insurance at the request of a representative of the Department.

[*Note:* A similar bill, HB 2714, has been introduced in the House. HB 2714 was stricken from the House Calendar by Rule 1507 on February 23, 2024.]

Senate Committee on Financial Institutions and Insurance

In the Senate Committee hearing, a representative of the Department provided **proponent** testimony, stating reductions in board membership under the Commissioner’s jurisdiction would result in an immediate cost savings. The proponent also stated there is currently not a mechanism for removal of board members other than their terms expiring, and the bill would provide an appropriate level of oversight to the Commissioner.

Written-only neutral testimony was provided by a representative of Kansas Association of Property and Casualty Insurance Companies.

No other testimony was provided.

The Senate Committee amended the bill to make a technical change. [*Note:* The Conference Committee retained this amendment.]

House Committee on Insurance

In the House Committee hearing, a representative of the Department provided **proponent** testimony, which mirrored the testimony provided during the Senate Committee hearing.

No other testimony was provided.

The House Committee amended the bill to take effect upon publication in the *Kansas Register*. [*Note:* The Conference Committee did not retain this amendment.]

HB 2530 (Definition of “Person” for Violations of Insurance Law)

The bill was introduced by the House Committee on Insurance at the request of a representative of the Department.

[*Note:* A companion bill, SB 340, was introduced in the Senate.]

House Committee on Insurance

In the House Committee hearing, **proponent** testimony was provided by a representative of the Department. The proponent indicated the bill would eliminate the reference of “automobile

club” in the definition of “person,” as automobile clubs are no longer under the jurisdiction of the Commissioner.

No other testimony was provided.

The House Committee amended the bill to remove all specific references to entities under the jurisdiction of the Commissioner. [Note: The Conference Committee retained this amendment.]

[Note: The bill, as introduced, would remove only “automobile club” from the definition of “person.”]

Senate Committee on Financial Institutions and Insurance

In the Senate Committee hearing, a representative of the Department provided **proponent** testimony, indicating the bill would eliminate the reference of “automobile club” in the definition of “person,” as automobile clubs are no longer under the jurisdiction of the Commissioner. The representative stated the House Committee on Insurance amended the bill to remove all entities not under the jurisdiction of the Commissioner; however, the same amendment was not offered when the companion bill, SB 340, was heard in the Senate Committee.

No other testimony was provided.

The Senate Committee amended the bill to change the effective date to be upon publication in the *Kansas Register*. [Note: The Conference Committee did not retain this amendment.]

HB 2715 (Setting of Fees and Fines for Required Filings by Insurance Entities and Public Adjusters)

The bill was introduced in the House Committee on Insurance at the request of a representative of the Department.

[Note: The bill was modeled after 2023 HB 2090, which was enacted to allow the Commissioner to lower licensure fees for insurance agents and insurance agencies in Kansas. A companion bill, SB 398, was introduced in the Senate.]

House Committee on Insurance

In the House Committee hearing, **proponent** testimony was provided by a representative of the Department, who stated the bill would grant the Commissioner the flexibility to lower more than 100 statutorily set fees and fines, in an amount not to exceed that currently established in statute. The representative noted publishing the fees and fines for the next year in the *Kansas Register* would provide the regulated entities time to plan their budgets for the next calendar year. The representative noted similar legislation enacted in 2023 authorized the Commissioner to reduce fees for insurance agents and insurance agencies, with anticipated savings to the insurance industry of \$1.2 million annually as a result of that change.

No other testimony was provided.

Senate Committee on Financial Institutions and Insurance

In the Senate Committee hearing, a representative of the Department provided **proponent** testimony similar to the testimony that was provided to the House Committee.

No other testimony was provided.

The Senate Committee amended the bill to change the enactment date to be upon publication in the *Kansas Register*. [Note: The Conference Committee did not retain this amendment.]

HB 2834 (Transfer of Authority Over Kansas State Employee Health Plan and State Workers Compensation Self-Insurance Fund)

The bill was introduced by the House Committee on Appropriations at the request of Representative Sutton.

House Committee on Insurance

In the House Committee hearing, **proponent** testimony was provided by Representative Wasinger and a representative of Valley Hope Association, who generally stated that the Department would have the necessary knowledge to handle issues with the SEHP, such as prior authorization and coverage parity.

Written-only proponent testimony was provided by a private citizen.

Opponent testimony was provided by a representative of the DoA, who stated separating the SEHP from various centralized functions within the DoA, such as human resources, payroll, procurement, and accounting, would introduce inefficiencies into the SEHP system. The conferee cited a statewide efficiency study conducted in 2015 and released in 2016, which prompted ERO 45 that placed the SEHP with the DoA in 2020.

The House Committee amended the bill to transfer the authority over the State Workers Compensation Self-Insurance Fund from the division of the SEHP of the DoA to the Department. [Note: The Conference Committee retained this amendment.]

House Committee of the Whole

The House Committee of the Whole amended the bill to make technical changes. [Note: The Conference Committee retained these amendments.]

Fiscal Information

Fiscal information for provisions of the bill, as amended by Conference Committee action, appears below.

SB 423 (Commissioner Authority for Reductions in Board Membership and Meeting Requirements)

According to the fiscal note prepared by the Division of the Budget on SB 423, as introduced, the Department states that enactment of the bill would have no fiscal effect.

HB 2530 (Definition of “Person” for Violations of Insurance Law)

According to the fiscal note prepared by the Division of the Budget on HB 2530, as introduced, the Department indicates enactment of the bill would have no fiscal effect because automobile clubs are no longer under the jurisdiction of the Department.

HB 2715 (Setting of Fees and Fines for Required Filings by Insurance Entities and Public Adjusters)

According to the fiscal note prepared by the Division of the Budget on HB 2715, as introduced, the Department states the bill could change agency revenues, which would depend on the rates the Commissioner sets each year. The agency cannot estimate the changes in revenue; however, any change would allow the agency to continue efficient agency operations. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2025 Governor’s Budget Report*.

HB 2834 (Transfer of Authority Over Kansas State Employee Health Plan and State Workers Compensation Self-Insurance Fund)

According to the fiscal note prepared by the Division of the Budget on HB 2834, as introduced, the Department indicates enactment of the bill would be net neutral, as all fund balances, revenues, and expenditures from the DoA would be transferred to the Department.

The SEHP of the DoA indicates that additional staff would be needed to fill support roles for the SEHP and to submit services currently provided through other DoA offices. The DoA is not able to calculate the costs that may be incurred. The DoA states the SEHP and the State Self Insurance Fund (SSIF) are currently procuring a new data warehouse to be implemented in FY 2024. This project would need to be rebid as it was a joint program bid and both plans would see additional costs to rebid, along with a delayed implementation. The DoA states that prior to the SEHP moving into the DoA, it had a memorandum of understanding in place for the DoA to handle payroll processing. At that time, the SEHP paid over \$119,000 annually for this service. The DoA also notes the SEHP and SSIF staff currently occupy the same building space. If expenditures for rent are greater for the SEHP staff to be located at the Department, enactment of the bill may increase expenditures for rent. Due to the variety of unknown factors, the DoA is unable to estimate a precise fiscal effect.

The Division of the Budget notes that budgeted expenditures from the SEHP in the DoA total \$643.3 million in FY 2024 and \$667.9 million in FY 2025, all from agency fee funds. These amounts include \$607.5 million in FY 2024 and \$631.8 million in FY 2025 for employee health care premium payroll deductions for payment of claims. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2025 Governor's Budget Report*.

Insurance; board membership; meetings; Commissioner of Insurance; duties and powers; fees; Kansas Insurance Department; automobile club; State Employee Health Plan; Department of Administration; Kansas State Employees Health Care Commission

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