

HOUSE BILL No. 2289

By Committee on Health and Human Services

2-5

9 AN ACT concerning health insurance; concerning mandate lite health
10 benefit plans and specially designed policies.

11

12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. (a) This section shall apply to all insurers transacting busi-
14 ness in the state offering individual or group sickness and accident insur-
15 ance. Such insurers also may offer a mandate lite benefit plan. A group
16 or individual carrier may also offer a mandate lite health benefit plan.

17 (b) A mandate lite health benefit plan means an individual or group
18 sickness and accident insurance plan that does not contain one or more
19 of the Kansas mandated benefits other than K.S.A. 40-2,100 and amend-
20 ments thereto.

21 (c) The mandate lite health benefit plan shall contain the definitions
22 of group or individual sickness and accident insurance with respect to
23 major medical benefits and standard provisions or rights of coverage.

24 (d) The mandate lite health benefit plan may be issued on a group
25 or individual basis.

26 (e) The insured shall be provided with a written notice that one or
27 more of the state mandated benefits are not included in the mandate lite
28 health benefit plan.

29 (1) The mandate lite health benefit plan shall specify the health serv-
30 ices that are included and shall specifically list the health services that will
31 be limited or not covered from the list of state mandated coverage other
32 than K.S.A. 40-2,100 and amendments thereto.

33 (2) The insurer is required to retain a signed copy of this notice on
34 file as a part of the original application as evidence that the insured has
35 acknowledged such notice.

36 (3) Such signed copy may be in original form, electronic file form or
37 in any other reproducible file form as may be consistent with the insurer's
38 method of retaining application copies.

39 (f) The definition of preexisting conditions may not be more restric-
40 tive than the definition of preexisting conditions normally used for the
41 corresponding regular individual or group insurance contracts.

42 (g) All mandate lite health benefit plans shall be exempt from pre-
43 mium taxes.

1 (h) A mandate lite health benefit plan shall not be required to include
2 coverage for drugs.

3 (1) The mandate lite health benefit plan may offer various optional
4 combinations of coverage for generic, formulary and non-formulary
5 drugs.

6 (2) The mandate lite health benefit plan may offer drug discount
7 plans.

8 (i) A mandate lite health benefit plan may charge additional premi-
9 ums for each optional benefit offered. Optional benefits may include
10 mandated benefits that are not included in the mandate lite health benefit
11 plan.

12 (j) This section shall be known and may be cited as the mandate lite
13 health benefit plan act.

14 Sec. 2. (a) For the purposes of this section, the following terms shall
15 have the meanings ascribed to them in this subsection:

16 (1) "Specially designed policy" means an insurance policy that by de-
17 sign may not meet all or part of the definitions of a group or individual
18 sickness and accident insurance policy and includes temporary sickness
19 and accident insurance on a short-term basis.

20 (2) "Short-term" means an insurance policy period of six months or
21 12 months, based upon policy design, which offers not more than one
22 renewal period with or without a requirement of medical re-underwriting
23 or medical re-qualification.

24 (A) Because a short-term policy addresses the special needs for tem-
25 porary coverage, a short-term policy is not subject to continuation pro-
26 visions of the health insurance portability and accountability act of 1996
27 (Public Law 104-191).

28 (B) Because a short-term policy addresses the special needs for tem-
29 porary coverage, a short-term policy shall be exempt from minimum loss
30 ratios calculations associated with individual sickness and accident insur-
31 ance issued within the state unless such calculation excludes any monthly
32 administration fee associated with the sale of such policy.

33 (b) Specially designed policies shall include policies designed to pro-
34 vide sickness and accident insurance for specific coverage of benefits or
35 services that may be excluded as benefits or services cited under section
36 1 and amendments thereto. Specially designed policies may include the
37 following stand alone policies and coverages:

- 38 (1) Chiropractic plans;
- 39 (2) acupuncture coverage plans;
- 40 (3) holistic medical treatment plans;
- 41 (4) podiatrists plans;
- 42 (5) pharmacy plans;
- 43 (6) psychiatric plans;

- 1 (7) allergy plans; and
- 2 (8) such other stand alone plans or combinations of plans of accepted
- 3 traditional and nontraditional medical practice as shall be allowable for
- 4 exclusion from group or individual plans under section 1 and amendments
- 5 thereto.
- 6 (c) No specially designed policy shall be deemed to be included under
- 7 the definition of group sickness and accident insurance, including short-
- 8 term limited duration health insurance, issued or renewed inside or out-
- 9 side of this state and covering persons residing in this state.
- 10 Sec. 3. This act shall take effect and be in force from and after its
- 11 publication in the statute book.