

SESSION OF 2007

SUPPLEMENTAL NOTE ON SENATE BILL NO. 243

As Amended by Senate Committee on
Public Health and Welfare

Brief*

SB 243, as amended, would amend two statutes that concern health insurance and would create a new statute applicable to group health insurance.

For the purposes of the Kansas Uninsurable Health Insurance Plan Act, the definition of “dependent” would be a resident spouse or resident unmarried child under the age of 26 years, a child who is a student under the age of 26 years and who is financially dependent upon the parent, or a child of any age who is disabled and dependent upon the parent.

For the purposes of the standardization of individual health insurance policies, the bill would provide that no policy could terminate coverage of a dependent by reason of the dependent’s age before the dependent’s 26th birthday and would have to, upon application, provide coverage for all dependents up to age 26. The definition of dependent is to have the same meaning as the amended definition in the Kansas Uninsurable Health Insurance Plan Act.

The bill would also create a new statute that would make the definition of “dependent” created for the purposes of the Uninsurable Health Insurance Plan Act, applicable whenever the term appears in any group policy or contract of any health and accident insurance of any kind that is delivered, offered for sale, sold, or renewed in Kansas.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Background

SB 243 was introduced by the Senate Committee on Public Health and Welfare following presentations made by several individuals on who constitute the uninsured for the purposes of health insurance. The expansion of coverage for dependents also was recommended by the Senate President's Task Force on Health.

As introduced, the expanded definition of dependent would have been applicable only to the coverage offered under the Uninsurable Health Insurance Plan Act (high risk pool) and individual health insurance coverage. The Senate Committee added the new provision applicable to group health insurance.

The fiscal note on the original version of SB 143 states the Insurance Department indicated all new and previously approved accident and health policies would have to be amended to reflect the age limit changes. Additionally, the Department would have to review and approve the policy forms, but this should cause no fiscal effect. The fiscal note also includes an estimate by the Kansas Health Policy Authority that the bill in its original form would increase the cost of the State Employees Health Benefits Plan by \$1,664,687 in FY 2008 although it appears the original bill did not include group health insurance coverage.