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Blue Cross and Blue Shield of Kansas  
Written Testimony in Support of Senate Bill 553  
Senate Committee on Financial Institutions and Insurance  
March 19, 2024

Chairman Longbine and Members of the Committee:

Blue Cross Blue Shield of Kansas appreciates the opportunity to provide testimony in support of Senate Bill 553, which if enacted would allow Kansas businesses the option of providing electronic delivery of health plan benefit communications to its employees in accordance with federal guidelines.

Blue Cross and Blue Shield of Kansas (BCBSKS) is a locally operated mutual insurance company with more than 1,700 Kansas-based employees. We serve approximately 930,000 Kansans in 103 Kansas counties. BCBSKS maintains offices in eleven communities around the state.

For more than two decades, the federal government has allowed for some form of electronic delivery of benefit plan information to reduce printing, mailing, and related plan cost. Federal agencies including the Internal Revenue Service, the U.S. Department of Labor, and the U.S. Department of Health and Human Services have promulgated rules to ensure the safe delivery of communications and provide oversight of benefit plans and administrators. In 2020, the U.S. Department of Labor published additional regulations that allow plan administrators more flexibility with the ability to provide plan participants and beneficiaries plan communications through electronic delivery. In this most recent publication, the agency prescribed certain requirements that plan administrators must satisfy to protect plan participants, and plan participants maintain the ability to opt-out of receiving electronic communications. If plan participants opt-out, they will receive their plan communications through U.S. mail.

SB 553 proposes to align Kansas' existing health plan communications electronic delivery laws with federal regulations. These changes will streamline administrative processes for Kansas businesses' health plan administrators and still maintain consumer protections for Kansas workers and their families. Under the bill, employees and recipients may opt-out of receiving electronic communications and instead receive their health plan communications via U.S. mail.

BCBSKS believes SB 553 will make it easier for Kansas businesses to offer group health plan coverage to their employees in an efficient manner. This change will also expedite the delivery of health plan communications to more Kansans while still allowing health plan participants the ability to receive hard copy documents through the mail if they so choose. BCBSKS encourages the committee to pass this legislation in favor of Kansas businesses, workers, and families.

Please do not hesitate to contact me if you have questions or concerns.

Sincerely,

A handwritten signature in blue ink that reads "Sunee Mickle".

Sunee Mickle

Vice President, Government and Community Relations  
Blue Cross and Blue Shield of Kansas, Inc.