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To: House Committee on Health and Human Services

From: Jennifer Flory, Director of State Employee Health Benefits Program, Department of Administration and Acting Secretary Adam Proffitt, Department of Administration

Re: Testimony in Support of HB 2452

Date: March 20th, 2023

Mr. Chairman and Members of the Committee, thank you for the opportunity to offer testimony in support of HB 2452.

Under K.S.A 75-6521 – 75-6523, the State Employee Health Plan (SEHP) the Health Care Commission (HCC) is required to offer employees a voluntary insurance plan to pay for Long Term Care (LTC) expenses.

At the time this statute went into effect, the market for LTC insurance was robust with many insurers offering group and individual plans. Since this statute went into effect, the market for these products has changed significantly and today the number of insurers in this market is limited. The individual market has evolved into offering plans with many of the same benefits and pricing of group plan offerings. The SEHP has not had any bidders willing to offer a group coverage in recent years.

The program was last bid in 2022 and the Health Care Commission voted to approve a one-year contract with the right to extend for an additional year an individual LTC plan through ACASIA Partners, LLC. In conjunction with LifeSecure. ACASIA Partners also offers employees a Lifetime Benefit Term Life Insurance option with a LTC rider through Combined Insurance Company of America a Chubb company. During the discussion of the contract and additional meeting discussions, the HCC members have discussed whether this product should continue to be offered since the employees can buy similar products in the open market. At the February 2023 HCC meeting the commission voted to pursue legislation to remove the requirement to continue to offer this plan.

All employees and their covered family members that are currently enrolled in LTC insurance plans through the SEHP would be able to keep those plans as they are guaranteed renewable insurance contracts. The change would simply require members to set up direct payments to the insurers instead of using payroll deduction. LTC plan premiums are not eligible for pre-tax payroll deductions so changing payment options would not negatively impact the members.