

SESSION OF 2013

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2312

As Recommended by House Committee on
Insurance

Brief*

HB 2312 would amend existing law regarding the Kansas Uninsurable Health Insurance Act by increasing the maximum lifetime benefit per covered individual in the high-risk health insurance pool from \$3.0 million to \$4.0 million.

Background

The bill was introduced by the House Committee on Insurance at the request of the Kansas Health Insurance Association (KHIA).

At the House Committee hearing on the bill, a representative of the KHIA presented testimony in favor of the bill stating the KHIA is a non-profit association created by statute that manages the state's high-risk health insurance pool. The pool was established in order to provide coverage for individuals who have pre-existing conditions and are generally uninsurable in the voluntary market. The KHIA representative stated the maximum lifetime benefit was raised in 2011 from \$2.0 million to \$3.0 million, but KHIA projects that as many as 12 members of the state high-risk pool will reach the current \$3.0 million benefit limit in 2013.

There were no opponents to the bill at the time of the House Committee hearing.

The House Committee elected to place the bill on the consent calendar.

*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>

The fiscal note provided by the Division of the Budget states there would be no fiscal effect on Kansas Insurance Department operations; however, insurance companies licensed to conduct health insurance business and receive premiums in the State may experience additional costs. All insurance companies are assessed a pro-rated annual amount paid to the Kansas High Risk Insurance Pool based on the percentage of premiums collected in the State. By increasing the lifetime limit on individuals in the high-risk pool, additional costs would be borne by all insurance companies that are assessed for the high-risk pool.