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MEMORANDUM

To: House Standing Committee on Insurance
From: Eileen Ma, Assistant Revisor of Statutes
Date: January 22, 2020
Subject: Bill Brief for HB 2053

HB 2053 is a holdover bill from the 2019 session. It was originally heard on February 4, 2019, and no action was taken at that time by the committee. This bill was part of the package of bills from last year that were requested based upon the Final Rule promulgated by the Department of Labor in response to Executive Order 13813 directing the Secretaries of Treasury, Labor, and Health and Human Services to take creative action to increase access to healthcare.

Under current state law, a short-term health policy may be six or 12 months in duration and be renewed once only, regardless of the policy duration.

HB 2053 would amend K.S.A. 2018 Supp. 40-2,193 to define a short-term, limited-duration insurance policy to be an insurance policy that is less than 12 months and that offers renewal or extension periods up to a maximum policy period of 36 months total duration.

The bill also requires that a notification statement be printed on any application and contract materials for a short-term, limited-duration policy. Among other things, the statement informs the consumer that the insurance policy being considered is compliant with the Affordable Care Act and that if the coverage were to expire, the consumer might have to wait until an open enrollment period to get other health insurance coverage. The entire notification appears on page 2 of the bill, in lines 10 – 29.

The effective date of the bill had originally been publication in the Kansas Register due to the final rule's effective date of October 2, 2018, but that date could easily be amended by committee action.

Finally, I would note that as a holdover bill, the Revisor's office would need to make some technical changes to the bill to update the internal statutory references to which the bill refers.