

MEMORANDUM

To: Senate Financial Institutions and Insurance

From: Alan D. Conroy, Executive Director

Date: March 20, 2019

Subject: HB 2031; Changing the definition of “service-connected” for the Kansas Policemen and Firemen’s (KP&F) retirement system

HB 2031, as amended by the House Committee on Financial Institutions and Pensions, changes the definition of “service-connected” for KP&F death and disability by adding “bloodborne pathogen” (i.e. hepatitis, HIV/AIDS) and specifying cancers of the brain, skin, digestive system, hematological system and genitourinary system.

The new definition would apply to all KP&F members, including Emergency Medical Services personnel who are members under K.S.A. 74-4954a.

Current Law

Current statutory language includes cancer as service-connected if the cancer that caused the death or disability is a type of cancer that “may, in general, result from exposure to heat, radiation, or a known carcinogen.” HB 2031, as amended, specifies the list of cancers considered service-connected as cancers of the brain, skin, digestive system, hematological system or genitourinary system.

HB 2031, as amended, also adds bloodborne pathogens to the list of diseases that are considered service connected and defines bloodborne pathogen as any disease that is present in human blood and is designated as infectious or contagious by the Secretary of the Kansas Department of Health and Environment (K.S.A. 65-128).

Potential Cost Impact

KP&F death and disability benefits are a part of the pension plan design. Any changes to the number of KP&F members who become eligible for service connected death or disability benefits could impact the overall cost of benefits.

A quick review of our records indicates we received 122 KP&F disability applications and approved 112 during the five-year period including calendar years 2013-2017. Only 1 claim was denied. For the 9 remaining claims, 3 members voluntarily returned to work before the application process was completed and 6 did not complete the process for various reasons (i.e. opted to retire rather than apply for disability).

HB 2031, as amended, is narrowly focused is estimated to affect a small number of KP&F members. Therefore, HB 2031, as amended, is expected to have no meaningful actuarial impact.

Senate Action

The policy in HB 2031, as amended, is identical to SB 15 as amended by this Committee. SB 15, as amended, passed the Senate 40-0 on February 27.

I would be pleased to respond to any questions the Committee may have.

