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MEMORANDUM

To: Chairman Johnson and the House Committee on Insurance and Pensions
From: Office of Revisor of Statutes
Date: February 2, 2022
Subject: Bill Brief for SB 199

Senate Bill 199 would amend K.S.A. 2020 Supp. 40-2,193 to bring existing state law into line with a change that was made in 2019 to the federal definition of a short-term, limited-duration health insurance policy. 2019 HB 2053 was the original bill to address the federal change and was originally heard on February 4, 2019 by this committee. However, no action was taken on the bill at that time. SB 199 bill is largely a reintroduction of the same bill.

In 2020, SB 199 was introduced and was heard by the Senate committee on Financial Institutions and Insurance, where the committee amended the bill to strike certain disclaimer language and passed it out of committee. On March 31, 2021, the bill was passed by the Senate Committee of the Whole on a vote of 27 to 6 and referred to this committee on April 6, 2021. No action was taken on the bill at that time. The bill's provisions were then included in the CCR for SB 29 during conference committee, but the CCR did not pass.

Under current state law, a short-term, limited duration health insurance policy may be six or 12 months in duration and be renewed once only, regardless of the policy duration. SB 199 would amend K.S.A. 40-2,193 to define a short-term, limited-duration insurance policy to be an insurance policy that is **less than** 12 months in duration and that offers renewal or extension periods **up to** a maximum policy period of **36 months total** duration. This new language would match the new federal definition.

The federal regulation adopting the new definition also requires that a notification statement be printed on any application and contract materials for a short-term, limited-duration health insurance policy. Among other things, the statement informs the consumer that the health insurance policy being considered is not 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. This disclaimer language was stricken by the Senate Committee on Financial Institutions and Insurance and is the language shown stricken in the bill.

Lastly, should the committee act favorably upon this bill, we would need to update the statutory reference, since this is a holdover from last year.

The bill would become effective upon its publication in the statute book.