SENATE BILL No. 35

By Committee on Financial Institutions and Insurance

1-22

AN ACT concerning insurance; relating to health insurance; providing for short-term, limited-duration health plans; amending K.S.A. 2018 Supp. 40-2,193 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2018 Supp. 40-2,193 is hereby amended to read as follows: 40-2,193. (a) For the purposes of this section:

(1) "Specially designed policy" means an insurance policy that by design may not meet all or part of the definitions of a group or individual sickness and accident insurance policy and includes temporary sickness and accident insurance on a short-term, limited-duration basis.

(2) "Short-term, limited-duration" means an insurance policy period of six months or less than 12 months, based upon policy design, which offers not more than one renewal period or extension periods up to a maximum policy period of 36 months total duration, with or without a requirement of medical re-underwriting or medical requalification.

(A) Because a short-term, limited-duration policy addresses the special needs for temporary coverage, a short-term, limited-duration policy is not subject to continuation provisions of the health insurance portability and accountability act of 1996 (public law 104-191).

(B) Because a short-term, limited-duration policy addresses the special needs for temporary coverage, a short-term, limited-duration policy shall be exempt from medical loss ratio calculations associated with individual sickness and accident insurance issued within the state unless such calculation excludes any monthly administration fee associated with the sale of such policy.

(b) Specially designed policies shall include policies designed to provide sickness and accident insurance for specific coverage of benefits or services that may be excluded as benefits or services cited under K.S.A. 2018 Supp. 40-2,192, and amendments thereto. Specially designed policies may include the following stand-alone policies and coverages:

(1) Chiropractic plans;
(2) Acupuncture coverage plans;
(3) Holistic medical treatment plans;
(4) Podiatrist plans;
(5) Pharmacy plans;
(6) psychiatric plans;
(7) allergy plans; and
(8) such other stand-alone plans or combinations of plans of accepted
traditional and nontraditional medical practice as shall be allowable for
exclusion from group or individual plans under K.S.A. 2018 Supp. 40-
2,192, and amendments thereto.

(e) No specially designed policy shall be deemed to be included
under the definition of group sickness and accident insurance, including
short-term, limited-duration health insurance, issued or renewed inside or
outside of this state and covering persons residing in this state.

(c) Any insurance company issuing short-term, limited-duration
health insurance shall include the following statement, printed in 14-point
font, in its contracts and application materials, whether for initial
enrollment, renewal or extension:

"This coverage is not required to comply with certain federal market
requirements for health insurance, principally those contained in the
Affordable Care Act. Be sure to check your policy carefully to make sure
you are aware of any exclusions or limitations regarding coverage of
preexisting conditions or health benefits (such as hospitalization,
emergency services, maternity care, preventive care, prescription drugs,
and mental health and substance use disorder services). Your policy might
also have lifetime and/or annual dollar limits on health benefits.

If this coverage expires or you lose eligibility for this coverage, you
might have to wait until an open enrollment period to get other health
insurance coverage. Also, this coverage is not "minimum essential
coverage." If you don't have minimum essential coverage for any month in
a tax year, you may have to make a payment when you file your tax return
unless you qualify for an exemption from the requirement that you have
health coverage for that month."

Sec. 2. K.S.A. 2018 Supp. 40-2,193 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its
publication in the Kansas register.