

House General Government Budget Committee
Friday, March 24, 2017
Testimony for HB 2360 and HB 2361
John Milburn, Director of Legislative and Public Affairs

Thank you for this opportunity to provide this testimony. The Kansas Department of Administration (DOA) supports legislation to move administration of the State Employee Health Plan (SEHP) and the State Self Insurance Fund (SSIF) for workers compensation to the Kansas Department of Administration.

Both of these programs were previously administered by DOA prior to creation of the Kansas Health Policy Authority more than a decade ago. As noted in the Statewide Efficiency Review report issued in 2015 by Alvarez & Marsal regarding the SEHP, this structure would allow for better coordination and communication, streamline payroll deduction file requirements, decrease enrollment and deduction errors and increase administrative efficiency. The bill would transfer administration of the State Employees Health Plan (SEHP) from the Division of Health Care Finance in KDHE to DOA. A new division would be established in DOA called the Division of the State Employee Health Benefits Plan. All powers, duties, functions, employees and fund balances of the Division of Health Care Finance to administer the SEHP would be transferred to DOA.

The Alvarez & Marsal report noted that state health plans are typically structured within the DOA or another agency that handles Human Resource functions across the country. By relocating the program, employees will have one agency to turn to for answers to questions and assistance regarding their benefits.

Thank you for your consideration of these two bills and would be pleased to stand for questions.