AN ACT concerning the administration of the state employee health
benefits plan; creating the division of state employee health benefits
plan in the department of administration.

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

Section 1. (a) There is hereby established, within the department of
administration, the division of the state employee health benefits plan. The
head of the division shall be director of the state employee health benefits
plan, who shall be appointed by and serve at the pleasure of the secretary
of administration. The director shall be in the unclassified service under
the Kansas civil service act and shall receive an annual salary fixed by the
secretary of administration and approved by the governor.

(b) (1) The secretary of administration shall appoint, in accordance
with the provisions of the Kansas civil service act, such employees as may
be needed, in the judgment of the secretary and director, to carry out the
powers and duties of the state employee health benefits plan.

(2) All officers and employees of the division of the state employee
health benefits plan shall act for and exercise the powers of the director of
the state employee health benefits plan to the extent that authority to do so
is delegated by the secretary and director. Subject to the provisions of
K.S.A. 75-3702j, and amendments thereto, the secretary and director may
organize the division of the state employee health benefits plan in the
manner deemed most efficient.

Sec. 2. All powers, duties and functions of the staff of the division of
health care finance of the department of health and environment
established in K.S.A. 2016 Supp. 65-1,252 through 65-1,258, and
amendments thereto, involving the administration of the state employee
health benefits plan are hereby transferred to and imposed upon the
department of administration and its division of the state employee health
benefits plan and the secretary and the director of the state employee
health benefits plan.

Sec. 3. (a) The department of administration and the division of the
state employee health benefits plan shall be the successor in every way to
the powers, duties and functions of the division of health care finance of
the department of health and environment involving the administration of
the state employee health benefits plan in which the same were vested.
pursuant to K.S.A. 2016 Supp. 65-1,252 through 65-1,258, and amendments thereto, and that are transferred pursuant to this act.

(b) Every act performed in the exercise of such transferred powers, duties and functions by or under the authority of the department of administration and the division of the state employee health benefits plan or the secretary or the director of the state employee health benefits plan involving the administration of the state employee health benefits plan shall be deemed to have the same force and effect as if performed by the division of health care finance of the department of health and environment in which the same were vested pursuant to K.S.A. 2016 Supp. 65-1,252 through 65-1,258, and amendments thereto, in which such powers, duties and functions were vested prior to the effective date of this act.

(c) Whenever the division of health care finance of the department of health and environment or words of like effect are referred to or designated by a statute, contract, memorandum of agreement or other document and such reference is in regard to any of the powers, duties or functions transferred to the department of administration and its division of the state employee health benefits plan, such reference or designation shall be deemed to apply to the department of administration and the division of the state employee health benefits plan.

(d) All rules and regulations, orders and directives of the division of health care finance of the department of health and environment that relate to the functions transferred by this act and that are in effect on the effective date of this act, shall continue to be effective and shall be deemed to be rules and regulations, orders and directives of the secretary of administration until revised, amended, revoked or nullified pursuant to law.

Sec. 4. (a) The balances of all funds or accounts thereof appropriated or reappropriated for the division of health care finance of the department of health and environment or any state agency, department, board, commission or council, relating to the powers, duties and functions involving the administration of the state employee health benefits plan by K.S.A. 2016 Supp. 65-1,252 through 65-1,258, and amendments thereto, are hereby transferred within the state treasury to the department of administration for the division of the state employee health benefits plan and shall be used only for the purpose for which the appropriation was originally made.

(b) Liability for all accrued compensation or salaries of officers and employees who are transferred to the department of administration and the division of the state employee health benefits plan pursuant to this act shall be assumed and paid by the division of the state employee health benefits plan of the department of administration.
Sec. 5. (a) When any conflict arises as to the disposition of any property, power, duty or function or the unexpended balance of any appropriation as a result of any abolition or transfer made by or under this act, such conflict shall be resolved by the governor, whose decision shall be final.

(b) The division of the state employee health benefits plan in the department of administration shall succeed to all property, property rights and records that were used for or pertain to the performance of powers, duties and functions involving the administration of the state employee health benefits plan that were transferred to the division of health care finance in the department of health and environment pursuant to K.S.A. 2016 Supp. 65-1,252 through 65-1,258, and amendments thereto. Any conflict as to the proper disposition of property, personnel or records arising under the provisions of this act, shall be determined by the governor, whose decision shall be final.

Sec. 6. (a) No suit, action or other proceeding, judicial or administrative, lawfully commenced, or that could have been commenced, by or against any state agency or program mentioned in K.S.A. 2016 Supp. 65-1,252 through 65-1,258, and amendments thereto, or by or against any officer of the state in such officer’s official duties, shall abate by reason of the governmental reorganization effected under the provisions of this act. The court may allow any such suit, action or other proceeding to be maintained by or against the successor of any such state agency or any officer affected.

(b) No criminal action commenced or that could have been commenced by the state shall abate by the taking effect of this act.

Sec. 7. (a) All officers and employees of the division of health care finance of the department of health and environment who, immediately prior to the effective date of this act, are engaged in the exercise and performance of the powers, duties and functions involving the administration of the state employee health benefits plan and transferred by this act, as well as all officers and employees of the department of health and environment who are determined by the secretary of administration to be engaged in providing administrative, technical or other support services that are essential to the exercise and performance of the powers, duties and functions transferred by this act, are hereby transferred to the division of the state employee health benefits plan of the department of administration. All classified officers and employees so transferred shall retain their status as classified employees.

(b) Officers and employees of the division of health care finance of the department of health and environment transferred by this act shall retain all retirement benefits and leave balances and rights that had accrued or vested prior to the date of transfer. The service of each such officer or
employee so transferred shall be deemed to have been continuous. Any
subsequent transfers, layoffs or abolition of classified service positions
under the Kansas civil service act shall be made in accordance with the
civil service laws and any rules and regulations adopted thereunder.
Nothing in this act shall affect the classified status of any transferred
person employed by the division of health care finance of the department
of health and environment prior to the date of transfer.
(c) Notwithstanding the effective date of this act, the provisions of
this act prescribing the transfer of officers and employees from the
division of health care finance of the department of health and
environment to the division of the state employee health benefits plan of
the department of administration shall commence at the start of a payroll
period.
Sec. 8. This act shall take effect and be in force from and after its
publication in the statute book.