

SESSION OF 2017

SUPPLEMENTAL NOTE ON SENATE BILL NO. 110

As Recommended by Senate Committee on
Financial Institutions and Insurance

Brief*

SB 110 would authorize the Kansas Board of Regents (KBOR) to independently provide, through self-insurance or the purchase of insurance contracts, health care benefits for employees of a state educational institution defined in KSA 76-711 (the University of Kansas, Kansas State University of Agriculture and Applied Science, Wichita State University, Emporia State University, Pittsburg State University, and Fort Hays State University) when the state health care benefits program (the State Employee Health Plan [SEHP]) is insufficient to satisfy the requirements of the federal Mutual Educational and Cultural Exchange Act of 1961. These health care benefits would be limited to those in the SEHP not meeting federal requirements.

The bill would be in effect upon publication in the *Kansas Register*.

Background

The bill was introduced by the Senate Committee on Financial Institutions and Insurance at the request of KBOR. In the Senate Committee hearing, representatives of KBOR and the University of Kansas Medical Center testified as proponents. The proponents generally stated federal law requires employees holding a J-1 Visa to have health insurance coverage meeting certain minimum requirements, including a deductible that does not exceed \$500 per

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

accident or illness. The changes to Plan A of the SEHP for Plan Year 2017 increased the individual deductible to \$1,000. Therefore, as of January 1, 2017, visiting scholars eligible to participate in the SEHP no longer have employer-provided health insurance meeting these federal requirements. The proponents noted the state risks losing these talented employees to other states meeting federal requirements. Written-only proponent testimony was provided by Kansas State University.

No neutral or opponent testimony was provided.

According to the fiscal note prepared by the Division of the Budget, KBOR indicates enactment of the bill would increase expenditures for KBOR and the universities by \$500 per employee, or \$108,000, beginning in FY 2018 and for each subsequent year. KBOR indicates these expenditures would be paid with university resources. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2018 Governor's Budget Report*.