AN ACT concerning the Kansas uninsurable health insurance plan act; pertaining to the lifetime limit; amending K.S.A. 2012 Supp. 40-2124 and repealing the existing section.

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

Section 1. K.S.A. 2012 Supp. 40-2124 is hereby amended to read as follows: 40-2124. (a) Coverage under the plan shall be subject to both deductible and coinsurance provisions set by the board. The plan shall offer to current participants and new enrollees no fewer than four choices of deductible and copayment options. Coverage shall contain a coinsurance provision for each service covered by the plan, and such copayment requirement shall not be subject to a stop-loss provision. Such coverage may provide for a percentage or dollar amount of coinsurance reduction at specific thresholds of copayment expenditures by the insured.

(b) Coverage under the plan shall be subject to a maximum lifetime benefit of $3,000,000 $4,000,000 per covered individual.

(c) Coverage under the plan shall exclude charges or expenses incurred during the first 90 days following the effective date of coverage as to any condition:

(1) Which manifested itself during the six-month period immediately prior to the application for coverage in such manner as would cause an ordinarily prudent person to seek diagnosis, care or treatment; or

(2) for which medical advice, care or treatment was recommended or received in the six-month period immediately prior to the application for coverage. In succeeding years of operation of the plan, coverage of preexisting conditions may be excluded as determined by the board, except that no such exclusion shall exceed 180 calendar days, and no exclusion shall be applied to either a federally defined eligible individual provided that application for coverage is made not later than 63 days following the applicant's most recent prior creditable coverage or an individual under the age of 19 years who is eligible for enrollment in the plan under paragraph (3) of subsection (b) of K.S.A. 40-2122, and amendments thereto. For any individual who is eligible for the credit for health insurance costs under section 35 of the internal revenue code of 1986, the preexisting conditions limitation will not apply whenever such individual has maintained creditable health insurance coverage for an aggregate period of three
months, not counting any period prior to a 63-day break in coverage, as of
the date on which such individual seeks to enroll in coverage provided by
this act.
(d) (1) Benefits otherwise payable under plan coverage shall be
reduced by all amounts paid or payable through any other health
insurance, or insurance arrangement, and by all hospital and medical
expense benefits paid or payable under any workers compensation
coverage, automobile medical payment or liability insurance whether
provided on the basis of fault or nonfault, and by any hospital or medical
benefits paid or payable under or provided pursuant to any state or federal
law or program.
(2) The association shall have a cause of action against an eligible
person for the recovery of the amount of benefits paid which are not
covered expenses. Benefits due from the plan may be reduced or refused
as a set-off against any amount recoverable under this section.
Sec. 2. K.S.A. 2012 Supp. 40-2124 is hereby repealed.
Sec. 3. This act shall take effect and be in force from and after its
publication in the statute book.