

KS HB 2790 – Hearing 2/19/24

Erica Brune Testimony before the House Committee on Commerce, Labor and Economic Development

Mr. Chairman and members of the committee thank you for the opportunity to testify today.

I'm here in support of House Bill 2790 and ask for your support on the bill.

My name is Erica Brune, and I am the CEO for Lever 1 PEO, headquartered in Overland Park, KS. I serve as the Leadership Council Chair for the Heartlands Region for the National Association of Professional Employer Organizations, or NAPEO.

By way of background, PEOs provide human resource services to small and mid-size businesses—paying wages and taxes under the PEO's EIN, offering workers' compensation and risk management services, and providing compliance assistance with employment-related rules and regulations.

PEOs have been operating and sponsoring single employer health plans for decades, pre- and post-ACA, in Kansas. They provide worksite employees of

small and mid-size businesses with access to Fortune 500-level benefits they would not otherwise have been able to access.

The bill before you today updates the Kansas PEO Act to codify our existing practices that authorize PEOs to sponsor fully insured benefits as a single employer.

This is consistent with the approach taken by other states that have clarified within their respective PEO statutes that a PEO is deemed an employer for purposes of sponsoring welfare benefit plans for its covered employees, and that such plans are treated for purposes of state law as a single employer welfare benefit plan.

This modest legislation would simply restate and codify our practice that has been in place in Kansas for years, as well as provide parity with the other states that have enacted statutory frameworks regulating PEOs. Similar statutes can be found in Colorado, Missouri, Nebraska, and Oklahoma.

Thank you again Mr. Chairman and members of the committee for allowing me to speak today in support of House Bill 2790.