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MEMORANDUM

To: House Committee on Insurance

From: Eileen Ma, Assistant Revisor of Statutes

Date: March 15, 2018

Subject: Bill Brief for SB 348, as amended by Senate committee

SB 348 establishes electronic delivery as the default method of delivery for certain health benefit plan documents, making three amendments to the electronic notice and document act.

The first amendment, made in Section 1, K.S.A. 40-5802(b), permits a health benefit plan to use electronic delivery as its standard method to send certain plan documents, so long as the health benefit plan utilizes U.S. mail upon notification by an insured party that the party wishes to receive paper documents.

The second amendment, made in Section 2, K.S.A. 40-5803, provides a definition for "health benefit plan," with specific reference to how that term is defined in K.S.A. 40-2209d (included on opposite page).

The third amendment, made in Section 3, K.S.A. 40-5804, exempts the electronic delivery of certain health benefit plan documents from the requirements with which an insurer must comply in order to utilize electronic delivery.

40-2209d. Same; definitions.

"Health benefit plan" means any hospital or medical expense policy, health, hospital or medical service corporation contract, and a plan provided by a municipal group-funded pool, or a health maintenance organization contract offered by an employer or any certificate issued under any such policies, contracts or plans. Health benefit plan also includes a cafeteria plan authorized by 26 U.S.C. section 125 which offers the option of receiving health insurance coverage through a high deductible health plan and the establishment of a health savings account. In order for an eligible individual to obtain a high deductible health plan through the cafeteria plan, such individual shall present evidence to the employer that such individual has established a health savings account in compliance with 26 U.S.C. section 223, and any amendments and regulations. "Health benefit plan" does not include policies or certificates covering only accident, credit, dental, disability income, long-term care, hospital indemnity, medicare supplement, specified disease, vision care, coverage issued as a supplement to liability insurance, insurance arising out of a workers compensation or similar law, automobile medical-payment insurance, or insurance under which benefits are payable with or without regard to fault and which is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.