



MEMORANDUM

TO: Health Care Commission
Duane Goossen, Chair
Connie Hafenstine
Sandy Praeger
Nancy Ruoff
John Staton

FROM: Doug Farmer

DATE: June 16, 2010

SUBJECT: **Revisions to K.A.R. 108-1-1, 108-1-3 and 108-1-4**

During the June 16, 2009, Health Care Commission (HCC) meeting, a request from Governor Parkinson was presented to reduce the waiting period for new employees from sixty (60) days to thirty (30) days. The revisions to K.A.R. 108-1-1, 108-1-3, and 108-1-4 include this change. In addition, the language regarding waiver of the waiting period has been revised to clarify when it will apply. With the reduction in the waiting period, the need for waivers of the waiting period should be greatly reduced. The HCC also voted to take action to authorize revisions to K.A.R. 108-1-4 to include the groups eligible to participate as non state public employers so that the regulation will not need to be revised for each new group that is added. Finally, modifications have been incorporated to ensure that the regulations are consistent with each other and that they match our current membership practices.

After public notice of the proposed regulation changes was published, comments and feedback were received. Feedback was received regarding the eligibility provision for participating in the direct bill program. The current language requires that a member must be receiving a KPERS warrant and not that the member is eligible to receive a KPERS warrant. The member who contacted us and provided this feedback was retired and was working for another employer. The member did not wish to draw their KPERS benefits but did feel that they should be able to continue their State Employee Health Plan coverage. This provision has been modified in the final version of the amended regulations to state that the member must be eligible to receive a KPERS warrant and not that the member must be receiving a warrant. Public comment from the Kansas Watershed Districts was received in support of the changes to K.A.R. 108-1-4. In addition, several punctuation errors were noted which required correction.

I testified before the Joint Committee on Administrative Rules and Regulations on April 5, 2010, and a public hearing was held on May 24, 2010. Following the public hearing, the above noted changes were made and the regulations were resubmitted for review and were stamped by the Kansas Department of Administration and the Attorney General's office.

The regulations in their final form are attached for the HCC's review and approval. If the HCC approves the regulations, they will be submitted for publication in the Kansas Register and will become final 15 days from the date of publication.

As a result of the recent federal health reform legislation and the action taken at the last HCC meeting to allow dependants who are on the plan on July 1, 2010, to stay on the plan to age 26, the regulations will require further revisions later. These other regulation changes will be pursued as soon as the attached regulations are finalized.

Recommendation:

Approve the attached regulations as amended.