



MEMORANDUM

TO: Health Care Commission
Duane Goossen, Chair
Steve Dechant
Sandy Praeger
Nancy Ruoff
John Staton

FROM: Doug Farmer

DATE: November 22, 2010

SUBJECT: **Additions to the Non State Public Employer Portion of the SEHP**

The State Employee Health Plan (SEHP) has been contacted by two new types of public employers interested in joining. The groups are cemetery districts and local conservation districts. Both groups meet the definition of local governmental entity in compliance with K.S.A. 75-6508(2).

The City of Medicine Lodge contacted us about coverage of employees of the local cemetery district. Medicine Lodge handles the payroll for the local cemetery district and had erred covering the two employees of the cemetery under their contract with the SEHP. The city brought this matter to our attention and has asked that the members be allowed to remain on the city plan until January 1, 2011 and we have agreed.

The cemetery district is interested in joining the SEHP to continue their employees' coverage under the plan but they have not been recognized by the Kansas State Employees Health Care Commission (HCC) as an eligible local government for inclusion. Cemetery districts are governed under K.S.A. 15-1013 et seq. and have the authority to levy property taxes for the purpose of maintaining and improving the cemeteries located within the district. Given the timing and the need to provide the covered members with continuous coverage, a statewide survey to determine the potential number of cemetery districts in the state that would be interested in coverage has not been done.

Our office did do a survey of conservation districts and the responses were mixed. Most indicated some interest in the plan but also indicated that they had limited funds to pay for the plan or that their employees were getting coverage elsewhere. It is uncertain based upon this information how many would join. Most indicated having only one or two eligible employees.

Recommendation:

Authorize the inclusion of cemetery and conservation districts in the local government portion of the SEHP.