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Robert Moser, MD, Secretary
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MEMORANDUM

TO: Health Care Commission
Jim Clark
J. Scott Day
Steve Dechant
Sandy Praeger

FROM: Mike Michael

DATE: November 25, 2013

SUBJECT: Approval for New Type of Non State Employer

The State Employee Health Plan (SEHP) has been contacted by a public employer interested in joining the plan that has not previously been recognized by the HCC to join the plan. The information provided by the Kansas Municipal Energy Agency (KMEA) indicates the agency was created under K.S.A.12-885 and would be eligible under the provision that allows for local governmental entities to join the SEHP. According to KMEA, they are the only group that has formed under this statute and therefore no survey of other potential similar type organizations is necessary.

When a public employer is interested in joining the SEHP, a two-part review occurs to determine eligibility. First, we ask them to document that they are eligible for coverage under the statute, which may include providing articles of incorporation, bylaws, tax status, etc. KDHE legal staff reviews the prospective group's documentation as well as K.S.A. 75-6506 to determine if the group is an eligible public employer to participate. If the group is eligible under the statute, then a second review is done to determine if the type of group has been recognized by the Health Care Commission as eligible to join. K.S.A. 75-6506(c) sets out the eligible groups that the HCC may recognize for inclusion in the SEHP. With regard to the above group requesting inclusion, K.S.A. 75-6506(c) permits the HCC to designate "by rules and regulations a group of persons on the payroll of a county, township, city, special district, or other local governmental entity..., as qualified to participate in the state health care benefits program." Based on the information provided, KDHE legal staff has indicated that municipal energy agencies are eligible to participate in the health plan as non state groups based on being local governmental entities.

Recommendation:

Authorize the inclusion of the Kansas Municipal Energy Agency as a local governmental entity for participation in the non state public employer portion of the SEHP.