

HOUSE BILL No. 2074

By Representatives Probst, Alcalá, Benson, Clayton, Finney, Horn, Kuether, Neighbor, Ohaebosim, Parker, Pittman, S. Ruiz, Stogsdill, Warfield, Whipple, Winn, Woodard and Xu

1-24

1 AN ACT concerning accident and sickness insurance; relating to
2 individual policies; requiring coverage of preexisting conditions;
3 amending K.S.A. 40-2257 and repealing the existing section.
4

5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 40-2257 is hereby amended to read as follows: 40-
7 2257. (a) Except as provided in this section, ~~an~~ every accident and sickness
8 insurer ~~which~~ that offers individual policies providing hospital, medical or
9 surgical expense benefits shall:

10 (1) *Accept every individual who applies for such coverage; and*

11 (2) renew or continue in force such coverage at the option of the
12 individual.

13 (b) *No individual policy providing hospital, medical or surgical*
14 *expense benefits issued or renewed within this state or issued or renewed*
15 *outside this state covering residents within this state shall limit or exclude*
16 *benefits for specific conditions existing at or prior to the effective date of*
17 *coverage thereunder. Such policy may impose a preexisting condition*
18 *exclusion, not to exceed 90 days following the date of enrollment, for*
19 *benefits for conditions whether mental or physical, regardless of the cause*
20 *of the conditions for which medical advice, diagnosis, care or treatment*
21 *was recommended or received in the 90 days prior to the effective date of*
22 *enrollment. Any preexisting condition exclusion shall run concurrently*
23 *with any waiting period.*

24 (c) An accident and sickness insurer may nonrenew or discontinue an
25 individual policy providing hospital, medical or surgical expense benefits
26 based only on one or more of the following:

27 (1) If the individual has failed to pay premiums or contributions in
28 accordance with the terms of the health insurance coverage or the accident
29 and sickness insurer has not received timely premium payments;

30 (2) if the individual has performed an act or practice that constitutes
31 fraud or made an intentional misrepresentation of material fact under the
32 terms of the coverage;

33 (3) if the accident and sickness insurer is ceasing to offer individual
34 policies providing hospital, medical or surgical expense benefits in

1 accordance with subsection ~~(e)~~ (d);

2 (4) in the case of accident and sickness insurer which offers
3 individual policies providing hospital, medical or surgical expense benefits
4 through enrollment area, if the individual no longer resides, lives or works
5 in the medical service enrollment area ~~(,or in an area for which the~~
6 ~~accident and sickness insurer is authorized to do business)~~, but only if such
7 coverage is terminated under this paragraph uniformly without regard to
8 any health status-related factor of covered individuals; or

9 (5) if the case of a policy providing hospital, medical or surgical
10 expense benefits that is made available to individuals only through one or
11 more bona fide associations, the membership of the individual in the
12 association ~~(,on the basis of which the coverage is provided)~~, ceases but
13 only if such coverage is terminated under this paragraph uniformly without
14 regard to any health status-related factor of covered individuals.

15 ~~(e)~~(d) If the accident and sickness insurer decides to discontinue
16 offering a particular individual policy providing hospital, medical or
17 surgical expense benefits such policy may only be ~~discontinue~~
18 *discontinued* if:

19 (1) The accident and sickness insurer provides notice to each covered
20 individual who is provided such policy providing hospital, medical or
21 surgical expense benefits at least 90 days prior to the date of the
22 discontinuation of such coverage;

23 (2) the accident and sickness insurer offers to each covered individual
24 who is provided such policy providing hospital, medical or surgical
25 expense benefits the option to purchase any other individual policy
26 providing hospital, medical or surgical expense benefits ~~which that~~ is
27 being sold by the accident and sickness insurer; and

28 (3) in exercising the option to discontinue coverage and in offering
29 the option of coverage under subsection ~~(b)~~ (c), the accident and sickness
30 insurer acts uniformly without regard to any health status-related factor of
31 enrolled individuals or individuals who may become eligible for coverage
32 under the policy.

33 ~~(d)~~(e) Subject to subsection ~~(e)~~ (d), if the accident and sickness
34 insurer elects to discontinue offering any individual policies providing
35 hospital, medical or surgical expense benefits in this state, such insurance
36 coverage may be discontinued only if:

37 (1) The accident and sickness insurer provides notice to the
38 commissioner and to each individual policyholder of such discontinuation
39 at least 180 days prior to the date of the expiration of such coverage; and

40 (2) the accident and sickness insurer is prohibited from the issuance
41 of any individual policies providing hospital, medical or surgical expense
42 benefits in the state during a five-year period beginning on the date of the
43 discontinuation of the last individual policy providing hospital, medical or

1 surgical expense benefits which is not renewed.

2 ~~(e)~~(f) An accident and sickness insurer may modify the terms and
3 conditions of the individual policy providing hospital, medical or surgical
4 expense benefits so long as such modification is consistent with other
5 provisions of the insurance code and is effective on a uniform basis among
6 all individuals who are covered by such policy.

7 ~~(f)~~(g) In applying this section in the case of individual policies
8 providing hospital, medical or surgical expense benefits that are made
9 available by accident and sickness insurer to individuals only through one
10 or more associations, a reference to an "individual" is deemed to include a
11 reference to such an association of which the individual is a member.

12 ~~(g)~~(h) As used in this section, "health status-related factor" means: (1)
13 A physical or mental illness medical condition; (2) claims experience; (3)
14 receipt of health care; (4) medical history; (5) genetic information; (6)
15 evidence of insurability including conditions arising out of acts of
16 domestic violence; and (7) disability.

17 ~~(h)~~(i) As used in this section, "policies providing hospital, medical or
18 surgical expense benefits" does not include short term, limited duration
19 policies of insurance.

20 ~~(i)~~(j) The commissioner is hereby authorized to adopt such rules and
21 regulations as may be necessary to carry out the provisions of this section.

22 Sec. 2. K.S.A. 40-2257 is hereby repealed.

23 Sec. 3. This act shall take effect and be in force from and after its
24 publication in the statute book.