

KANSAS INSURANCE DEPARTMENT
Notice of Hearing on Proposed
Administrative Regulations

A public hearing will be conducted at 1:30 p.m., April 14, 2016, in the third floor conference room, Kansas Insurance Department, 420 S.W. 9th, Topeka, Kansas, to consider the adoption of a proposed rule and regulation.

The 60-day notice of the public hearing shall constitute a public comment period for the purpose of receiving written public comments on the proposed rules and regulations. All interested parties may submit written comments prior to the hearing to Diane Minear, Kansas Insurance Department, 420 S.W. 9th, Topeka, Kansas, 66612-1678, via facsimile at 785-291-3190, or via email at dminear@ksinsurance.org. All interested parties will be given a reasonable opportunity to present their views orally on the adoption of the proposed regulation during the hearing.

A summary of the proposed regulation and its economic impact follows.

K.A.R. 40-4-34. Accident and health insurance; coordination of benefits. This amendment to the existing regulation adds individual health insurance plans sold after 1-1-2014 to the list of plan types that can coordinate benefits. This amendment will also save insurers money in the form of claims that will not be paid more than once for the same service.

There will be no economic impact on the Kansas Insurance Department or other governmental agencies. Consumers may be charged lower health insurance premium rates due to fewer claims paid by insurers.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request any proposed regulation and the economic impact statement in an accessible format. Requests for accommodation to participate in the hearing should be made at least 5 working days in advance by contacting Diane Minear at (785) 296-2676 or via email at dminear@ksinsurance.org. Any individual desiring a copy of any regulation and/or the policy and procedure that is being adopted by reference, if applicable, may obtain a copy from our website, www.ksinsurance.org, under the Legal Issues link or by contacting Diane Minear by phone at (785) 296-2676 or via email at dminear@ksinsurance.org. The charge for copies is fifty cents per page.

K.A.R. 40-4-34. Accident and health insurance; coordination of benefits; guidelines.

Sections 3 through 9, including appendices A and B of the national association of insurance commissioners' "group coordination of benefits model regulation," January 1996 edition, are hereby adopted by reference subject to the following exceptions:

(a) Section 3(A)(1)(c) is not adopted and shall be replaced with the following language: "If a person is covered by two (2) or more plans that provide benefits or services on the basis of negotiated fees, or if one plan calculates its benefits or services on the basis of usual and customary fees and another plan provides its benefits or services on the basis of negotiated fees, any amount in excess of the highest of the fees is not an allowable expense."

(b) Section 3(A)(1)(d) is not adopted.

(c) Section (H)(3)(g) is not adopted.

(d) Section 3(H)(4)(k) is new and shall read as follows: "Plan shall not include group or group type accident only coverages."

(e) Section 3(H)(4)(f) is not adopted.

(f) Sections 8(B)(2) and (3) and (C) are not adopted and shall be replaced with the following language: "If the Noncomplying Plan reduces its benefits so that the employee, subscriber, or member receives less in benefits than he or she would have received had the Complying Plan paid or provided its benefits as the Secondary Plan and the Noncomplying Plan paid or provided its benefits as the Primary Plan, then the Complying Plan shall advance to or on behalf of the employee, subscriber, or member an amount equal to such difference. However, in no event shall the Complying Plan advance more than the Complying Plan would have paid had it been the Primary Plan less any amount it previously paid."

(g) Appendix A. Model COB contract provisions, sections (C)(3) and (4) are not adopted.

The Kansas insurance department’s “policy and procedure relating to coordination of benefits,” dated January 27, 2016, including the appendices, is hereby adopted by reference. (Authorized by K.S.A. 40-103, 40-2404a; implementing K.S.A. ~~1997~~ 2015 Supp. 40-2404; effective May 1, 1981; amended May 1, 1982; amended May 1, 1984; amended May 1, 1985; amended, T-86-13, May 9, 1985; amended May 1, 1986; amended May 1, 1987; amended Feb. 19, 1999; amended P-_____.)

ECONOMIC IMPACT STATEMENT

Proposed Kansas Administrative Regulation 40-4-34

Pursuant to the requirement of K.S.A. 77-416(b) the Kansas Insurance Department submits the following description of the economic impact of the above referenced proposed amendment to K.A.R. 40-4-34:

1. This amendment to the existing regulation adds individual health insurance plans sold after 1-1-2014 to the list of plan types that can coordinate benefits.
2. This amendment will save insurers money in the form of claims that will not be paid more than once for the same service.
3. There will be no economic impact on the Kansas Insurance Department or other governmental agencies. Consumers may be charged lower health insurance premium rates due to fewer claims paid by insurers.