Division of Health Care Finance
Landon State Office Building
900 SW Jackson, Suite 900 N
Topeka, Kansas 66612-1220

Phone: 785-296-3981
Fax: 785-296-4813
www.kdheks.gov

Lee A. Norman, M.D., Secretary

Laura Kelly, Governor

MEMORANDUM

TO: Employee Advisory Committee

FROM: Natalie Yoza, President

DATE: November 4, 2020

SUBJECT: Proposed Legislation Amending K.S.A. 75-6502

Membership on the Kansas Health Care Commission (HCC) is established by a statute, K.S.A. 75-6502(a). The five members are the: (1) Insurance Commissioner; (2) Secretary of Administration; (3) a "current state employee in the classified service under the Kansas civil service act, appointed by the governor"; (4) "a person who retired from a position in the classified service under the Kansas civil service act, appointed by the governor"; and (5) a representative of the public, appointed by the governor. This statute was last amended in 1992, and the character of the state workforce has drastically changed since then.

Today, most state employees are unclassified. In contrast, employees subject to the Kansas Civil Service Act are in classified service. The Act establishes policies and procedures for personnel matters, including hiring, advancement, and benefits. Classified employees are also entitled to appeal disciplinary actions to the Kansas Civil Service Board. In recent history, the Act was amended to permit conversion of many classified positions to unclassified. This has caused a dramatic reduction in the number of state employees in classified service.

In 2000—eight years after K.S.A. 75-6502 was last amended—there were 20,090 classified employees and 2,082 unclassified non-University Executive Branch employees. By 2020, there were 5,747 classified and 12,841 unclassified non-University Executive Branch employees. Notably, these figures exclude employees in the judicial branch, legislative branch, and all University employees. Historically, some University employees were in classified service, but those positions have all been converted.

As a result of this dramatic shift, the number of state employees eligible to serve on the HCC has also dramatically shrunk—a trend that is likely to continue. Over time, the same dramatic shift will occur within the retiree population as the percentage of retirees that served in classified service will diminish.

During the EAC's July 2020 meeting, the EAC indicated an interest in seeking an amendment to K.S.A. 75-6502. And I engaged numerous stakeholders, including the Kansas Organization of State Employees, to evaluate what changes were workable and could realign the HCC to the current workforce.

Two proposed amendments to the requirements for the current state employee and the retired employee are recommended. The first recommendation is to remove the restriction that the current state employee and the retired employee be in/from classified service under the Kansas civil service act. Removing this requirement would not prevent employees/retirees from civil service from being appointed, but it would allow unclassified employees/retirees the opportunity to serve on the HCC.

The second recommendation is to add a requirement that the current state employee and the retired person be enrolled on a state health plan. Enrollment on a dental or vision plan would not be sufficient to meet this requirement. There are currently over 9,000 retired employees enrolled on a State health plan through direct bill, so there should be an adequate pool of retired employees to select from for appointment.