**M E M O R A N D U M**

**TO:** Health Care Commission

DeAngela Burns-Wallace Ed.D

Steve Dechant

Ximena Garcia, M.D.

Vicki Schmidt

Heather Young

**FROM:** Mike Michael

**DATE:** April 17, 2020

**Subject:** New Employee Waiting Period

The current new employee waiting period is the first of the month following a 30 day waiting period. The waiting period applies to all five Plans A, C, J, N and Q. The waiting period is outlined in the Kansas Administrative Regulations (K.A.R.) 108-1-1, 108-1-3 and 108-1-4.The language below is included in all three K.A.R. and is from 108-1-1:

**(c) Waiting period.**

(1) Each person who is within a class listed in paragraph (b)(1), (b)(2), (b)(3), (b)(4),

(b)(6), or (b)(7) shall become eligible for enrollment in the health care benefits program

following completion of a 30‐day waiting period beginning with the first day of work for the

state of Kansas. Each person shall have 31 days after becoming eligible to elect coverage.

on that person’s first day of work for the state, is enrolled in the health care benefits program

on any of the following bases:

(A) As a direct bill participant;

(B) under the continuation of benefits coverage provided under COBRA; or

(C) as a dependent of a participant in the health care benefits program.

(4) The waiting period established in paragraph (c)(1) may be waived by the commission

or its designee if, within 30 days of the date of hire, the agency head or designee certifies in

writing to the commission, or its designee, that the waiver is being sought because the potential new employee is required to have health insurance as a condition of obtaining a work visa for employment in the United States.

The health plan worked with Segal to perform an actuarial review of any financial impact of moving the waiting period to a true 30 day period or having no waiting period with an effective date of health insurance coverage beginning with the date of hire. Segal has indicated there would be no financial impact to the health plan if the waiting period were changed to either of these options. For large employer group plans, Segal indicated there are a few ways the groups administer the waiting period. Some groups utilize a true 30 day wait period or the first of the month following the hire date. They have also seen a trend over the last several years for large employer groups to move towards a no wait period for new hires.

If the waiting period was changed to a true 30 day period, there would not be a need for a revision to the K.A.R. If the waiting period was eliminated or changed to the first of the month following the date of hire, then there would need to be a revision to the K.A.R. through the formal regulatory change process.