

**18A.2251 State employee health care plan buy-in. (Expired July 14, 1995)**

- (1) Any citizen of the United States, who has been a Kentucky resident for at least one (1) year prior to purchasing coverage under this section, shall be permitted to purchase health insurance coverage provided to state employees pursuant to KRS 18A.225 and 18A.2281, under the same terms and conditions as state employees until the Kentucky Health Purchasing Alliance created pursuant to KRS 304.17A-020 becomes operational. The premium charged for coverage for high risk individuals as defined by the Kentucky Health Policy Board shall not exceed two hundred percent (200%) of the premium paid by the Commonwealth for state employees. Policies issued under this section shall be valid for a period of one (1) year, and at the time of the policy's expiration the insured shall be eligible for participation in the Kentucky Health Purchasing Alliance created pursuant to KRS 304.17A-020.
- (2) The secretary of the Finance and Administration Cabinet and the secretary of the Cabinet for Human Resources shall provide for a system to enroll any citizen who elects to purchase health insurance coverage under subsection (1) of this section using the county offices of the Cabinet for Human Resources. Citizens desiring to purchase coverage shall do so through the office of the Cabinet for Human Resources in the county of the citizen's residence. Payment for premiums shall be made in advance on a quarterly or annual basis, in a manner to be determined by administrative regulations of the Finance and Administration Cabinet promulgated pursuant to KRS Chapter 13A.
- (3) Following the close of each calendar year, the Kentucky Health Policy Board shall determine for each of the insurance plans providing coverage to state employees and persons electing to purchase coverage pursuant to this section, the net premium, being premiums less administrative expense allowances, the plan expenses, and claim expenses losses for the year, taking into account investment income and other appropriate gains and losses.
- (4) Each health insurer's proportion of participation in the state employee health plan shall be determined annually by the Kentucky Health Policy Board based on annual statements and other reports deemed necessary by the board and filed by the insurer with the board. The proportion of participation shall be determined by multiplying the total cost of each state health insurance plan coverage operation by a fraction, the numerator of which equals that insurer's premium and subscriber contract charges for health insurance written in the state during the preceding calendar year and the denominator of which equals the total of all premiums and subscriber contract charges written in the state. The amount of the assessment shall also be adjusted to ensure that the Commonwealth's cost of providing coverage to state employees does not increase more than the average rate of premium growth for state employees during the five (5) years preceding July 15, 1994.
- (5) Any deficit incurred by the state employee health insurance plan shall be recouped by assessments on all health insurers doing business in the Commonwealth pursuant to the assessment formula set forth by the Kentucky Health Policy Board. The insurers may recover these amounts in the normal course of their respective businesses without time limitation.
- (6) The Kentucky Health Policy Board may abate or defer, in whole or in part, the

assessment of an insurer if, in the opinion of the board, payment of the assessment would endanger the ability of the insurer to fulfill its contractual obligations. If an assessment against an insurer is abated or deferred in whole or in part, the amount by which the assessment is abated or deferred may be assessed against the other insurers in a manner consistent with the basis for assessments set forth in this section. The insurer receiving an abatement or deferment shall remain liable to the Commonwealth for the deficiency for four (4) years.

- (7) If assessments exceed actual losses and administrative expenses of the plan, the excess shall be held at interest and used by the Commonwealth to offset future losses or to reduce premiums. As used in this subsection, "future losses" includes reserves for incurred but not reported claims.
- (8) After July 14, 1995, this section shall become null and void.

**Effective:** July 15, 1994

**History:** Created 1994 Ky. Acts ch. 512, Part 14, sec. 93, effective July 15, 1994.