

KENTUCKY GENERAL ASSEMBLY AMENDMENT FORM
2025 REGULAR SESSION
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Amend printed copy of **SB 2/GA**

On page 2, after line 10, by inserting:

"➔SECTION 2. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ
AS FOLLOWS:

(1) As used in this section:

(a) "Gender transition services":

- 1. Means surgical, medical, mental health, or pharmaceutical services that are performed for the purpose of altering the appearance of an individual's sex or validating or affirming an individual's perception of the individual's sex, if that appearance or perception is inconsistent with the individual's sex;**
- 2. Includes but is not limited to the following surgical, medical, mental health, and pharmaceutical services, if performed for the purposes stated in subparagraph 1. of this paragraph:**
 - a. Prescribing or administering any drug, including testosterone, estrogen, or progesterone;**
 - b. Performing any sterilizing surgery, including castration, hysterectomy, oophorectomy, orchiectomy, penectomy, and vasectomy;**
 - c. Performing any surgery that artificially constructs tissue having the appearance of genitalia differing from the individual's sex, including**

Amendment No. HFA 1

Rep. Rep. Josh Calloway

Committee Amendment _____

Signed: _____

Floor Amendment _____

LRC Drafter: _____

Adopted: _____

Date: _____

Rejected: _____

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metoidioplasty, phalloplasty, and vaginoplasty;

d. Removing any healthy or non-diseased body part or tissue; and

e. Providing any counseling or therapy; and

3. Does not include surgical, medical, mental health, or pharmaceutical services provided to an individual:

a. Born with a medically verifiable disorder of sex development, including external biological sex characteristics that are irresolvably ambiguous;

b. Diagnosed with a disorder of sexual development, if a health care provider has determined, through genetic or biochemical testing, that the individual does not have a sex chromosome structure, sex steroid hormone production, or sex steroid hormone action that is normal for a biological male or biological female; or

c. Needing treatment for an infection, injury, disease, or disorder that has been caused or exacerbated by surgical, medical, mental health, or pharmaceutical services performed for the purposes stated in subparagraph 1. of this paragraph;

(b) "Health care provider" means any person, agency, clinic, or facility that is:

1. Engaged in the rendering of any surgical, medical, mental health, or pharmaceutical services; and

2. Licensed, certified, or otherwise regulated in this state or subject to regulation in this state;

(c) "Health plan" means any policy, certificate, contract, or plan that offers or provides coverage in this state for surgical, medical, mental health, or pharmaceutical services:

1. By direct payment, reimbursement, or otherwise; and

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2. On a fully insured or self-insured basis or any combination thereof:
- (d) "Sex" means the biological indication of male and female as evidenced by sex chromosomes, naturally occurring sex hormones, gonads, and nonambiguous internal and external genitalia present at birth; and
- (e) "State or local government" means this state or any local government of this state, including:
1. Any agency, board, bureau, department, council, commission, committee, government corporation, institution, legislative body, authority, hospital, clinic, political subdivision, instrumentality, or other entity of this state;
 2. Any city, county, charter county government, urban-county government, consolidated local government, unified local government, public school district, public institution of education, special district, hospital district, or municipal corporation of this state; and
 3. Any agency, board, bureau, department, council, commission, committee, institution, legislative body, authority, hospital, clinic, instrumentality, or other entity, of an entity referenced in subparagraph 2. of this paragraph.
- (2) A health care provider shall not seek or accept payment or reimbursement for the rendering of gender transition services to any individual from any of the following:
- (a) A state or local government, including a:
1. Person contracted with a state or local government to provide or administer a health plan; and
 2. Health plan offered or sponsored by a state or local government; or
- (b) A federal agency providing or administering Medicare benefits to or on behalf of a Medicare beneficiary, including a:
1. Person contracted with a federal agency to provide or administer Medicare

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benefits in this state; and

2. Health plan that provides Medicare benefits that are publicly funded or subsidized.

(3) If a licensing, certifying, or other regulatory authority for a health care provider finds, in accordance with the agency's disciplinary and hearing process, that a health care provider has violated this section, the authority shall revoke the health care provider's licensure, certification, or other authorization to provide services in this state.

➔SECTION 3. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, "gender transition services" has the same meaning as in Section 2 of this Act.

(2) All of the following shall not reimburse or provide benefits or coverage for gender transition services:

(a) The Department for Medicaid Services;

(b) Any managed care organization contracted to provide Medicaid benefits under this chapter; and

(c) The state's medical assistance program.

➔SECTION 4. A NEW SECTION OF KRS 205.6481 TO 205.6495 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

(a) "Gender transition services" has the same meaning as in Section 2 of this Act; and

(b) "KCHIP" means:

1. The state child health plan known as the Kentucky Children's Health Insurance Program; or

2. Any plan submitted for federal approval of a children's health insurance

program for Kentucky under Title XXI of the Federal Social Security Act.

(2) KCHIP shall not reimburse or provide benefits or coverage for gender transition services.

➔SECTION 5. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, the following have the same meaning as in Section 2 of this Act:

(a) "Gender transition services";

(b) "Health plan"; and

(c) "State or local government."

(2) All of the following shall not reimburse or provide benefits or coverage for gender transition services:

(a) A health plan offered or sponsored by a state or local government; and

(b) A health plan that provides Medicare benefits that are publicly funded or subsidized.

➔Section 6. KRS 18A.225 is amended to read as follows:

(1) (a) The term "employee" for purposes of this section means:

1. Any person, including an elected public official, who is regularly employed by any department, office, board, agency, or branch of state government; or by a public postsecondary educational institution; or by any city, urban-county, charter county, county, or consolidated local government, whose legislative body has opted to participate in the state-sponsored health insurance program pursuant to KRS 79.080; and who is either a contributing member to any one (1) of the retirement systems administered by the state, including but not limited to the Kentucky Retirement Systems, County Employees Retirement System, Kentucky Teachers' Retirement System, the Legislators' Retirement Plan, or the

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Judicial Retirement Plan; or is receiving a contractual contribution from the state toward a retirement plan; or, in the case of a public postsecondary education institution, is an individual participating in an optional retirement plan authorized by KRS 161.567; or is eligible to participate in a retirement plan established by an employer who ceases participating in the Kentucky Employees Retirement System pursuant to KRS 61.522 whose employees participated in the health insurance plans administered by the Personnel Cabinet prior to the employer's effective cessation date in the Kentucky Employees Retirement System;

2. Any certified or classified employee of a local board of education or a public charter school as defined in KRS 160.1590;
 3. Any elected member of a local board of education;
 4. Any person who is a present or future recipient of a retirement allowance from the Kentucky Retirement Systems, County Employees Retirement System, Kentucky Teachers' Retirement System, the Legislators' Retirement Plan, the Judicial Retirement Plan, or the Kentucky Community and Technical College System's optional retirement plan authorized by KRS 161.567, except that a person who is receiving a retirement allowance and who is age sixty-five (65) or older shall not be included, with the exception of persons covered under KRS 61.702(2)(b)3. and 78.5536(2)(b)3., unless he or she is actively employed pursuant to subparagraph 1. of this paragraph; and
 5. Any eligible dependents and beneficiaries of participating employees and retirees who are entitled to participate in the state-sponsored health insurance program;
- (b) The term "health benefit plan" for the purposes of this section means a health benefit

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- plan as defined in KRS 304.17A-005;
- (c) The term "insurer" for the purposes of this section means an insurer as defined in KRS 304.17A-005; and
 - (d) The term "managed care plan" for the purposes of this section means a managed care plan as defined in KRS 304.17A-500.
- (2) (a) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, shall procure, in compliance with the provisions of KRS 45A.080, 45A.085, and 45A.090, from one (1) or more insurers authorized to do business in this state, a group health benefit plan that may include but not be limited to health maintenance organization (HMO), preferred provider organization (PPO), point of service (POS), and exclusive provider organization (EPO) benefit plans encompassing all or any class or classes of employees. With the exception of employers governed by the provisions of KRS Chapters 16, 18A, and 151B, all employers of any class of employees or former employees shall enter into a contract with the Personnel Cabinet prior to including that group in the state health insurance group. The contracts shall include but not be limited to designating the entity responsible for filing any federal forms, adoption of policies required for proper plan administration, acceptance of the contractual provisions with health insurance carriers or third-party administrators, and adoption of the payment and reimbursement methods necessary for efficient administration of the health insurance program. Health insurance coverage provided to state employees under this section shall, at a minimum, contain the same benefits as provided under Kentucky Kare Standard as of January 1, 1994, and shall include a mail-order drug option as provided in subsection (13) of this section. All employees and other persons for whom the health care coverage is provided or made available shall annually be given

an option to elect health care coverage through a self-funded plan offered by the Commonwealth or, if a self-funded plan is not available, from a list of coverage options determined by the competitive bid process under the provisions of KRS 45A.080, 45A.085, and 45A.090 and made available during annual open enrollment.

- (b) The policy or policies shall be approved by the commissioner of insurance and may contain the provisions the commissioner of insurance approves, whether or not otherwise permitted by the insurance laws.
- (c) Any carrier bidding to offer health care coverage to employees shall agree to provide coverage to all members of the state group, including active employees and retirees and their eligible covered dependents and beneficiaries, within the county or counties specified in its bid. Except as provided in subsection (20) of this section, any carrier bidding to offer health care coverage to employees shall also agree to rate all employees as a single entity, except for those retirees whose former employers insure their active employees outside the state-sponsored health insurance program and as otherwise provided in KRS 61.702(2)(b)3.b. and 78.5536(2)(b)3.b.
- (d) Any carrier bidding to offer health care coverage to employees shall agree to provide enrollment, claims, and utilization data to the Commonwealth in a format specified by the Personnel Cabinet with the understanding that the data shall be owned by the Commonwealth; to provide data in an electronic form and within a time frame specified by the Personnel Cabinet; and to be subject to penalties for noncompliance with data reporting requirements as specified by the Personnel Cabinet. The Personnel Cabinet shall take strict precautions to protect the confidentiality of each individual employee; however, confidentiality assertions shall not relieve a carrier from the requirement of providing stipulated data to the Commonwealth.
- (e) The Personnel Cabinet shall develop the necessary techniques and capabilities for

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timely analysis of data received from carriers and, to the extent possible, provide in the request-for-proposal specifics relating to data requirements, electronic reporting, and penalties for noncompliance. The Commonwealth shall own the enrollment, claims, and utilization data provided by each carrier and shall develop methods to protect the confidentiality of the individual. The Personnel Cabinet shall include in the October annual report submitted pursuant to the provisions of KRS 18A.226 to the Governor, the General Assembly, and the Chief Justice of the Supreme Court, an analysis of the financial stability of the program, which shall include but not be limited to loss ratios, methods of risk adjustment, measurements of carrier quality of service, prescription coverage and cost management, and statutorily required mandates. If state self-insurance was available as a carrier option, the report also shall provide a detailed financial analysis of the self-insurance fund including but not limited to loss ratios, reserves, and reinsurance agreements.

- (f) If any agency participating in the state-sponsored employee health insurance program for its active employees terminates participation and there is a state appropriation for the employer's contribution for active employees' health insurance coverage, then neither the agency nor the employees shall receive the state-funded contribution after termination from the state-sponsored employee health insurance program.
- (g) Any funds in flexible spending accounts that remain after all reimbursements have been processed shall be transferred to the credit of the state-sponsored health insurance plan's appropriation account.
- (h) Each entity participating in the state-sponsored health insurance program shall provide an amount at least equal to the state contribution rate for the employer portion of the health insurance premium. For any participating entity that used the state payroll system, the employer contribution amount shall be equal to but not

greater than the state contribution rate.

- (3) The premiums may be paid by the policyholder:
 - (a) Wholly from funds contributed by the employee, by payroll deduction or otherwise;
 - (b) Wholly from funds contributed by any department, board, agency, public postsecondary education institution, or branch of state, city, urban-county, charter county, county, or consolidated local government; or
 - (c) Partly from each, except that any premium due for health care coverage or dental coverage, if any, in excess of the premium amount contributed by any department, board, agency, postsecondary education institution, or branch of state, city, urban-county, charter county, county, or consolidated local government for any other health care coverage shall be paid by the employee.
- (4) If an employee moves his or her place of residence or employment out of the service area of an insurer offering a managed health care plan, under which he or she has elected coverage, into either the service area of another managed health care plan or into an area of the Commonwealth not within a managed health care plan service area, the employee shall be given an option, at the time of the move or transfer, to change his or her coverage to another health benefit plan.
- (5) No payment of premium by any department, board, agency, public postsecondary educational institution, or branch of state, city, urban-county, charter county, county, or consolidated local government shall constitute compensation to an insured employee for the purposes of any statute fixing or limiting the compensation of such an employee. Any premium or other expense incurred by any department, board, agency, public postsecondary educational institution, or branch of state, city, urban-county, charter county, county, or consolidated local government shall be considered a proper cost of administration.

- (6) The policy or policies may contain the provisions with respect to the class or classes of employees covered, amounts of insurance or coverage for designated classes or groups of employees, policy options, terms of eligibility, and continuation of insurance or coverage after retirement.
- (7) Group rates under this section shall be made available to the disabled child of an employee regardless of the child's age if the entire premium for the disabled child's coverage is paid by the state employee. A child shall be considered disabled if he or she has been determined to be eligible for federal Social Security disability benefits.
- (8) The health care contract or contracts for employees shall be entered into for a period of not less than one (1) year.
- (9) The secretary shall appoint thirty-two (32) persons to an Advisory Committee of State Health Insurance Subscribers to advise the secretary or the secretary's designee regarding the state-sponsored health insurance program for employees. The secretary shall appoint, from a list of names submitted by appointing authorities, members representing school districts from each of the seven (7) Supreme Court districts, members representing state government from each of the seven (7) Supreme Court districts, two (2) members representing retirees under age sixty-five (65), one (1) member representing local health departments, two (2) members representing the Kentucky Teachers' Retirement System, and three (3) members at large. The secretary shall also appoint two (2) members from a list of five (5) names submitted by the Kentucky Education Association, two (2) members from a list of five (5) names submitted by the largest state employee organization of nonschool state employees, two (2) members from a list of five (5) names submitted by the Kentucky Association of Counties, two (2) members from a list of five (5) names submitted by the Kentucky League of Cities, and two (2) members from a list of names consisting of five (5) names submitted by each state employee organization that has two

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thousand (2,000) or more members on state payroll deduction. The advisory committee shall be appointed in January of each year and shall meet quarterly.

- (10) Notwithstanding any other provision of law to the contrary, the policy or policies provided to employees pursuant to this section shall not provide coverage for obtaining or performing an abortion, nor shall any state funds be used for the purpose of obtaining or performing an abortion on behalf of employees or their dependents.
- (11) Interruption of an established treatment regime with maintenance drugs shall be grounds for an insured to appeal a formulary change through the established appeal procedures approved by the Department of Insurance, if the physician supervising the treatment certifies that the change is not in the best interests of the patient.
- (12) Any employee who is eligible for and elects to participate in the state health insurance program as a retiree, or the spouse or beneficiary of a retiree, under any one (1) of the state-sponsored retirement systems shall not be eligible to receive the state health insurance contribution toward health care coverage as a result of any other employment for which there is a public employer contribution. This does not preclude a retiree and an active employee spouse from using both contributions to the extent needed for purchase of one (1) state sponsored health insurance policy for that plan year.
- (13)
 - (a) The policies of health insurance coverage procured under subsection (2) of this section shall include a mail-order drug option for maintenance drugs for state employees. Maintenance drugs may be dispensed by mail order in accordance with Kentucky law.
 - (b) A health insurer shall not discriminate against any retail pharmacy located within the geographic coverage area of the health benefit plan and that meets the terms and conditions for participation established by the insurer, including price, dispensing fee, and copay requirements of a mail-order option. The retail pharmacy shall not be

required to dispense by mail.

- (c) The mail-order option shall not permit the dispensing of a controlled substance classified in Schedule II.
- (14) The policy or policies provided to state employees or their dependents pursuant to this section shall provide coverage for obtaining a hearing aid and acquiring hearing aid-related services for insured individuals under eighteen (18) years of age, subject to a cap of one thousand four hundred dollars (\$1,400) every thirty-six (36) months pursuant to KRS 304.17A-132.
- (15) Any policy provided to state employees or their dependents pursuant to this section shall provide coverage for the diagnosis and treatment of autism spectrum disorders consistent with KRS 304.17A-142.
- (16) Any policy provided to state employees or their dependents pursuant to this section shall provide coverage for obtaining amino acid-based elemental formula pursuant to KRS 304.17A-258.
- (17) If a state employee's residence and place of employment are in the same county, and if the hospital located within that county does not offer surgical services, intensive care services, obstetrical services, level II neonatal services, diagnostic cardiac catheterization services, and magnetic resonance imaging services, the employee may select a plan available in a contiguous county that does provide those services, and the state contribution for the plan shall be the amount available in the county where the plan selected is located.
- (18) If a state employee's residence and place of employment are each located in counties in which the hospitals do not offer surgical services, intensive care services, obstetrical services, level II neonatal services, diagnostic cardiac catheterization services, and magnetic resonance imaging services, the employee may select a plan available in a county contiguous to the county of residence that does provide those services, and the state

contribution for the plan shall be the amount available in the county where the plan selected is located.

- (19) The Personnel Cabinet is encouraged to study whether it is fair and reasonable and in the best interests of the state group to allow any carrier bidding to offer health care coverage under this section to submit bids that may vary county by county or by larger geographic areas.
- (20) Notwithstanding any other provision of this section, the bid for proposals for health insurance coverage for calendar year 2004 shall include a bid scenario that reflects the statewide rating structure provided in calendar year 2003 and a bid scenario that allows for a regional rating structure that allows carriers to submit bids that may vary by region for a given product offering as described in this subsection:
- (a) The regional rating bid scenario shall not include a request for bid on a statewide option;
 - (b) The Personnel Cabinet shall divide the state into geographical regions which shall be the same as the partnership regions designated by the Department for Medicaid Services for purposes of the Kentucky Health Care Partnership Program established pursuant to 907 KAR 1:705;
 - (c) The request for proposal shall require a carrier's bid to include every county within the region or regions for which the bid is submitted and include but not be restricted to a preferred provider organization (PPO) option;
 - (d) If the Personnel Cabinet accepts a carrier's bid, the cabinet shall award the carrier all of the counties included in its bid within the region. If the Personnel Cabinet deems the bids submitted in accordance with this subsection to be in the best interests of state employees in a region, the cabinet may award the contract for that region to no more than two (2) carriers; and

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- (e) Nothing in this subsection shall prohibit the Personnel Cabinet from including other requirements or criteria in the request for proposal.
- (21) Any fully insured health benefit plan or self-insured plan issued or renewed on or after July 12, 2006, to public employees pursuant to this section which provides coverage for services rendered by a physician or osteopath duly licensed under KRS Chapter 311 that are within the scope of practice of an optometrist duly licensed under the provisions of KRS Chapter 320 shall provide the same payment of coverage to optometrists as allowed for those services rendered by physicians or osteopaths.
- (22) Any fully insured health benefit plan or self-insured plan issued or renewed to public employees pursuant to this section shall comply with:
- (a) KRS 304.12-237;
 - (b) KRS 304.17A-270 and 304.17A-525;
 - (c) KRS 304.17A-600 to 304.17A-633;
 - (d) KRS 205.593;
 - (e) KRS 304.17A-700 to 304.17A-730;
 - (f) KRS 304.14-135;
 - (g) KRS 304.17A-580 and 304.17A-641;
 - (h) KRS 304.99-123;
 - (i) KRS 304.17A-138;
 - (j) KRS 304.17A-148;
 - (k) KRS 304.17A-163 and 304.17A-1631;
 - (l) KRS 304.17A-265;
 - (m) KRS 304.17A-261;
 - (n) KRS 304.17A-262;
 - (o) KRS 304.17A-145;

- (p) KRS 304.17A-129;
- (q) KRS 304.17A-133;
- (r) KRS 304.17A-264;
- (s) Section 5 of this Act;** and

~~(t)(s)}~~ Administrative regulations promulgated pursuant to statutes listed in this subsection.

- (23) (a) Any fully insured health benefit plan or self-insured plan issued or renewed to public employees pursuant to this section shall provide a special enrollment period to pregnant women who are eligible for coverage in accordance with the requirements set forth in KRS 304.17-182.
- (b) The Department of Employee Insurance shall, at or before the time a public employee is initially offered the opportunity to enroll in the plan or coverage, provide the employee a notice of the special enrollment rights under this subsection.

➔Section 7. KRS 164.2871 is amended to read as follows:

- (1) The governing board of each state postsecondary educational institution is authorized to purchase liability insurance for the protection of the individual members of the governing board, faculty, and staff of such institutions from liability for acts and omissions committed in the course and scope of the individual's employment or service. Each institution may purchase the type and amount of liability coverage deemed to best serve the interest of such institution.
- (2) All retirement annuity allowances accrued or accruing to any employee of a state postsecondary educational institution through a retirement program sponsored by the state postsecondary educational institution are hereby exempt from any state, county, or municipal tax, and shall not be subject to execution, attachment, garnishment, or any other process whatsoever, nor shall any assignment thereof be enforceable in any court. Except

retirement benefits accrued or accruing to any employee of a state postsecondary educational institution through a retirement program sponsored by the state postsecondary educational institution on or after January 1, 1998, shall be subject to the tax imposed by KRS 141.020, to the extent provided in KRS 141.010 and 141.0215.

- (3) Except as provided in KRS Chapter 44, the purchase of liability insurance for members of governing boards, faculty and staff of institutions of higher education in this state shall not be construed to be a waiver of sovereign immunity or any other immunity or privilege.
- (4) The governing board of each state postsecondary education institution is authorized to provide a self-insured employer group health plan to its employees, which plan shall:
 - (a) Conform to the requirements of Subtitle 32 of KRS Chapter 304; and
 - (b) Except as provided in subsection (5) of this section, be exempt from conformity with Subtitle 17A of KRS Chapter 304.
- (5) A self-insured employer group health plan provided by the governing board of a state postsecondary education institution to its employees shall comply with:
 - (a) KRS 304.17A-129;
 - (b) KRS 304.17A-133;
 - (c) KRS 304.17A-145;
 - (d) KRS 304.17A-163 and 304.17A-1631;
 - (e) KRS 304.17A-261;
 - (f) KRS 304.17A-262;
 - (g) KRS 304.17A-264; ~~and~~
 - (h) KRS 304.17A-265; **and**
 - (i) **Section 5 of this Act.**
- (6) (a) A self-insured employer group health plan provided by the governing board of a state postsecondary education institution to its employees shall provide a special

enrollment period to pregnant women who are eligible for coverage in accordance with the requirements set forth in KRS 304.17-182.

- (b) The governing board of a state postsecondary education institution shall, at or before the time an employee is initially offered the opportunity to enroll in the plan or coverage, provide the employee a notice of the special enrollment rights under this subsection.

➔Section 8. KRS 304.17C-125 is amended to read as follows:

The following shall apply to limited health service benefit plans, including any limited health service contract, as defined in KRS 304.38A-010:

- (1) KRS 304.17A-129;
- (2) KRS 304.17A-262;~~[and]~~
- (3) KRS 304.17A-591 to 304.17A-599; and
- (4) Section 5 of this Act.**

➔Section 9. The General Assembly finds that it would not be in the interest of public health or welfare to use or receive public funds, or for public entities to offer or sponsor health plans that provide benefits or coverage, for gender transition services due to the substantial risks and known harmful effects of those services, including irreversible physical alterations and, in some cases, sterility and lifelong sexual dysfunction.

➔Section 10. If any provision of this Act, or this Act's application to any person or circumstance, is held invalid, the invalidity shall not affect other provisions or applications of the Act, which shall be given effect without the invalid provision or application, and to this end the provisions and applications of this Act are severable.

➔Section 11. Sections 5 to 8 of this Act apply to health plans issued or renewed on or after the effective date of this Act."