

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairperson Jeff Longbine at 9:40am on Thursday, January 21, 2016, 546-S of the Capitol.

All members were present except:

Senator Tom Hawk – Excused

Senator Jacob LaTurner – Excused

Committee staff present:

Theresa Allen, Kansas Legislative Committee Assistant

Melissa Renick, Legislative Research Department

Whitney Howard, Legislative Research Department

Eileen Ma, Office of Revisor of Statutes

Conferees appearing before the Committee:

No conferees present

Others in attendance:

[See Attached List](#)

Bill introductions

Chair Longbine asked if any bill introductions. There were none.

Presentation on:

Background on Report:

Report of the 2015 Special Committee on Insurance to the 2016 Kansas Legislature of two topics that were covered last year.

Chair Longbine opened the discussion with a review of the report by Melissa Renick, Legislative Research

Committee was given one day to review/study both topics and met on 12/7/15.

TOPICS:

1. 2015 **SB103 --- Concerning pharmacy benefit managers**

Pharmacy Benefit Management (PBM), including maximum allowable cost (MAC) pricing of generic drugs and its implications for Kansas pharmacies and health plans.

Recommendation:

Committee recommends the insurance committees of the Senate and House take up 2015 **SB103** or a compromise replacement bill early in the 2016 session. [The bill remains in the Senate Committee on Financial Institutions and Insurance.] The committee commends the parties to the bill for their efforts to reach a compromise on the bill.

CONTINUATION SHEET

MINUTES of the Committee on Financial Institutions and Insurance at 9:40am on Thursday, January 21, 2016 in Room 546-S of the Capitol.

Chair Longbine asked if any questions:

Sen Schmidt asked about the enforcement of the PBM, who would police or what course of action would be taken. Ms. Renick stated only a section of 1 & 2 were addressed, but a suspend or fine has not been addressed or imposed. Currently no civil action or revocation of license is in place. The penalties are addressed in the original section 3 of the bill. It is Chair Longbine's understanding that the penalties were taken out of this bill and a new bill may be introduced in lieu of **SB103**.

no additional questions.

2. HB2067 --- Increasing minimum motor vehicle liability insurance policy limits.

To increase the mandatory minimum motor vehicle liability insurance policy limits to \$50,000, \$75,000, \$35,000. No action was taken due to further study needed.

Recommendation:

The committee recommends a bill, (to be introduced in the House) to increase the minimum limit specified in KSA 40-3107 for property damage for the current \$10,000 to \$25,000. (the Committee made no recommendation on either bodily injury limit); and with regard to the issues of uninsured and underinsured motorist, including the determination of penalties and consequences for drivers, discussed before the Committee and outline in this report be directed to the committee leadership of the House and Senate Judiciary Committees. The Committee recommended a bill **HB2446**, which would increase the limits for property damage from \$10,000 to \$25,000. The committee made no recommendation on the bodily injury limits. See 2015 Special Committee on Insurance Report.

Chair Longbine asked if any questions.

Sen Schmidt asked how long have we been working on the real time data issue. Ms. Renick responded with the dates of 2006, 2007, 2008 and 2009.

Chair Longbine reviewed next weeks meeting schedule of next Tuesday. Chair Longbine adjourned the meeting.