

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Ty Masterson at 1:00pm on Thursday, May 21, 2015, 548-S of the Capitol.

All members were present

Committee staff present:

Daniel Yoza, Office of Revisor of Statutes
David Wiese, Office of Revisor of Statutes
J G Scott, Legislative Research
Amy Deckard, Legislative Research
Bobbi Mariani, Legislative Research
Ben Wilhelm, Legislative Research
Melissa Calderwood-Renick, Legislative Research
David Fye, Legislative Research
Debbie Luper, Chief of Staff
Dee Heideman, Committee Assistant

Conferees appearing before the Committee:

Mary Pilcher-Cook, Kansas Senator
William Sneed, Legislative Counsel, America's Health Insurance Plans
Coni Fries, Vice President, Governmental Relation, BCBS of Kansas City
Brad Smoot, Legislative Counsel, BCBS of Kansas
Vernon Bowen, Vice President, Governmental Affairs, Aetna Insurance Company

Others in attendance:

[See Attached List](#)

Bill introductions

Senator Masterson made a motion to introduce proposed legislation concerning school finance and the Department of Administration. Senator Denning seconded the motion and the motion passed on a voice vote.

Hearing on: SB309 — Establishing a 3.5% fee for policies sold on the federally facilitated health insurance exchange.

After calling the meeting to order, Chairperson Masterson opened the hearing on **SB309**.

David Wiese, Assistant Revisor, explained **SB309**. He said it establishes a 3.5% fee for policies sold on the federally facilitated health insurance exchange ([Attachment 1](#)).

Mary Pilcher-Cook, Kansas Senator, said this bill would help Kansas recoup some of the costs that Obamacare has imposed on our state. She said, attaching a 3.5% fee to policies sold on the federal exchange would be a fair method to attain revenue from health insurance companies in order to address increased Medicaid costs. ([Attachment 2](#)).

CONTINUATION SHEET

MINUTES of the Committee on Ways and Means at 1:00pm on Thursday, May 21, 2015, 548-S of the Capitol.

William Sneed, Legislative Counsel, America's Health Insurance Plans, contends the bill is in conflict with the Medicaid statute if some of the privately managed care organizations are exempt from the tax [Attachment 3](#).

Coni Fries, Vice President of Governmental Affairs, Blue Cross and Blue Shield of Kansas City, said passing this bill could result in some constituents paying an additional 15 percent in premium taxes that they did not pay prior to 2014 [Attachment 4](#).

Brad Smoot, Legislative Counsel, Blue Cross and Blue Shield of Kansas, said he thinks the new federal taxes are more than enough burden for our customers to shoulder without the state piggy-backing another tax on small business and families who are simply following the federal law that requires them to purchase health insurance [Attachment 5](#).

Vernon Rowen, Vice President for Governmental affairs, Aetna Insurance Company, spoke for Steven Robino who said Kansas consumers are already struggling to cover the cost of their health insurance premiums and cost of health care services. Adding an additional fee on health insurance policies only worsens this problem [Attachment 6](#).

After all the testimony was given, a period of time was allowed for questions and answers.

OPPONENTS WRITTEN:

Denise Cyzman, Executive Director, Kansas Association for the Medically Underserved [Attachment 7](#).

Mike Herbert, President and CEO, Delta Dental of Kansas [Attachment 8](#).

Mike O'Neal, President and CEO, Kansas Chamber of Commerce [Attachment 9](#).

Possible action on bills previously heard

There was no action taken on bills previously heard.

There are no further Senate Ways and Means Committee meetings scheduled at this time.

Chairperson Masterson adjourned the meeting at 1:59 pm.