

STATE AFFAIRS COMMITTEE
April 5, 1967

The meeting was called to order with all members present except representatives Unruh and Turner. Mike Casey was introduced to handle the presentation, and he in turn introduced Mr. Bill Miller of Security Benefit Life, representing insurance companies, in the matter of Senate Bills 82 and 83.

He stated that his primary concern was with SB 82, and that he opposed the bill; that he was not trying to reflect upon the optometrists because he had the highest regard for them; but was opposing the basic principle involved. He stated that he believed the insurance companies should have the freedom of choice about what type of insurance they provide and when they do, who should receive the benefits; that this violates a long standing freedom of choice and establishes a precedent that could have no end--that of having all industry told to whom they would have to pay benefits. He stated that he believed the company and the policy holder should be the ones involved in this. He stated that the coverage they are asking for in this bill is not now being provided by the insurance industry except rarely in a particular area. He stated that in those few cases the insurance companies go ahead and provide that the optometrists be paid just like the M.D.'s. He stated that there has been no request that he knows of that asked for optometric care, in their health insurance policies.

Mr. Sam Barham, Executive Director of Kansas Blue Cross-Blue Shield, appeared in opposition to this legislation, and stated that these bills would infringe on the freedom of Blue Cross-Blue Shield to negotiate and contract; that they have no objection to the optometrists and are rather suprised that they introduced this bill because there is no history that the company has held a monopoly for MD's. He stated that since 1957, the company has extended services to osteopaths, chiropodists and dentists, and now is negotiating with the Kansas Pharmaceutical Association regarding drug coverage. He stated that in view of the obvious willingness of Blue Cross-Blue Shield to negotiate and contract, he feels that this legislation should be set aside.

Mr. Oliver Ebel, Executive Secretary of the Kansas Medical Society introduced Dr. Byron Ashley and Dr. Michael R. Deitz as representatives of the Medical Society. Dr. Ashley stated that he had always been told that refraction should not be covered by insurance because the cost would be prohibitive; that this would increase the overall costs that would have to be shared by those who have no need for this service, and that anyway he did not believe there had been any demand for such service at this time.

Dr. Deitz of Wyandotte County, stated that he is an Ophthalmologist and was extremely opposed to these measures; that he believes it is not in the public interest; that the implications would be difficult to anticipate. He further stated that he believed it was completely unnecessary because these services were not now in existence except in rare instances where the unions had contracted it; that he believed the legislature should wait and give Title 19 a chance to work and see what the Intermediary will do before passing this kind of a proposal. He displayed a form used at the K.U. Medical Center (see attached) which shows the complexities involved in examination.

Mr. Buchele inquired if Dr. Deitz interpreted this bill as one to expand the practice of optometry and Dr. Deitz stated that he didn't regard it that way. Thereupon, Mr. Buchele inquired if it wouldn't expand the practice if the law specified a free choice and Dr. Deitz stated that it was a matter of defining the service and that it is a definition that the insurance companies should help define. Mr. Buchele stated that it is defined and Dr. Deitz relied that there is a definition in the law but it is questionable how clear it really is.

Mr. Ford inquired if Blue Cross-Blue Shield recognized optometrists now and Dr. Deitz stated that he knew of no Blue Cross contract that covers any eye care other than injury or surgery.

Mr. Andrews inquired if this ties in with Title 19, and Dr. Deitz stated that it was his understanding that if this legislation is enacted that optometric service would be equally available as would ophthalmology under Title 19. Mr. Andrews stated that it appeared to him that optometrists are not so much concerned about insurance companies as they are about Title 19.

Mr. Ebel stated that it is anticipated that Blue Cross-Blue Shield will be the fiscal intermediary for Title 19 and that it is hoped that they might be given time to work without legislation.

Mr. McGill pointed out that Title 19 hasn't passed the Senate and some reports indicate that there is a possibility it might be in trouble over there; and that he didn't think this committee need allow its decisions to hinge on what happens to Title 19.

Mr. McGill inquired if the optometrists had ever approached Blue Cross-Blue Shield, and Mr. Casey replied that there was a statement made recently that a letter was written nine years ago; and that so far as he knew no approach was made since that time; that they are willing to negotiate with this group just as they have always been willing to negotiate with all groups; and that he feels it would be bad precedent for the legislature to pass these bills. Mr. Mikesic inquired about language amending KSA 65-1501, and inquired about the terminology, stating that it sounded like double talk to him. Mr. Casey replied that he didn't think this added anything to the bill.

The Chairman inquired, in view of the testimony, if it would be agreeable if these bills were left in the committee until next year. Mr. Casey stated he had no objection, nor did Mr. Barham. Mr. Miller stated he would have no objection and Mr. Ebel stated that this would be agreeable with the Medical Society. The Chair stated that since the indication was that there had been no opportunity to negotiate that this might be the proper thing to do.

Mr. Andrews inquired if a group of people got together and wanted to include optometry in their coverage if there would be any objection, and Mr. Barham replied that yesterday some comment had been made about Seattle-Boeing, and that if this situation arose they would make a move to see on what basis they could get together because it would be a significant subscriber demand, but they would not impose a service on the public before a demand was made.

Mr. Miller stated on behalf of the insurance companies that they are willing to write any coverage people want if they are willing to pay the premium; that some are not written now because the premium would be out of line with what people are willing to pay, but that they would welcome such a request.

Mr. Bell appeared before the committee with amendments to HB 1316, stating that the cemetery bill had been killed in the Senate, and that this one did not have the pre-need clause which erased the objection so far as he knew; and also, that the amendments combined part of the Legislative Council suggestions; that he would greatly appreciate it if the committee saw its way clear to pass this out. Mr. Fribley inquired if there was any provision for a fee to the bank commissioner, and Mr. Bell stated that there was not but that he didn't object to it and if the Committee passed it out he would amend it on the floor. He stated that Gary Kershner who represents the funeral directors, has no objection. Mr. Boyer inquired if he would object to a provision of freedom of choice on the firm furnishing monuments and Mr. Bell stated that he believed they do now except for a garden type cemetery. Mr. Boyer stated that there are problems and Mr. Bell stated that generally he would have no objection but would want to see the specific amendment before agreeing to it.

Senators Sebelius and Haley appeared on behalf of Senate Bills 347, 397 and 400. Senator Haley stated that he had worked on the sub-committee on 347 but would defer to Mr. Corkhill and Mr. Hiatt who were the real experts on this matter.

Senator Sebelius asked permission to first discuss Senate Bills 397 and 400 so they could get back to the Senate. He stated that SB 397 was requested by the Board of Regents; that there is some land at the Parsons school used now by the Experimental Dept. at KSU and it would transfer control of this land from the Board of Welfare to the State Board of Regents.

Senator Sebelius then stated that SB 400 changes the requirements for certain officials; that it had been requested by the Director of ABC because the residence requirement was for five years and the man he wanted to hire for an assistant had been here only two years; that it would not change the requirements so far as the Director was concerned, but only for the Assistant.

Mr. Fribley inquired if this didn't come from his Committee, and Mr. Sebelius replied that it had, but it was at the request of the ABC.

Mr. Corkhill proceeded to explain SB 347, stating that the amendments proposed are basically requested by the Trustees of the Retirement System to clarify some of the benefits and to clean up the language; that it was prepared so as to retain the same benefit level and cost level as originally proposed; that there are two small benefit increases proposed by the actuaries to take care of a rather harsh forfeiture clause, dealing with service connected death benefits to the widow and orphans if the death resulted within two years after the disability.

Mr. Andrews inquired about the hours of work in section one, paragraph 4; that this would require approximately 40 weeks of work in one particular area. Mr. Corkhill replied that now the law requires a minimum of 1,000 hours for policemen or firemen to qualify; that it was thought to raise this to 1500 but that the Senate Committee amended it back to a minimum of 1,000. Mr. Bunten inquired if there was a breakdown of the costs and Mr. Corkhill distributed a memo (see attached). Mr. Bunten inquired about the Topeka situation, and Mr. Corkhill explained that they are covered in this for future policemen and fireman only; that those who have worked for many years are covered under the local pension plan and that Topeka has inquired the cost of transferring to the Employees Retirement Act, but that at the present the city cannot afford it, but that they hope to come under at some future time; that this does not take over any of the old plans unless they elect to do so. Mr. Rogers inquired about Manhattan, and Mr. Corkhill stated that they were under the old plan but had made inquiry and he believes they will consider it next year.

Mr. Corkhill stated that the local pension plans are not on a cash basis and the employees make their contribution which goes into a reserve but sometimes the city fails to allocate for this; but that the plan as shown is actuarially sound.

Mr. Hiatt stated that he concurs with Mr. Corkhill. Mr. Fribley inquired in the Firemen and Policemen are agreed on this and he stated that this is so.

The Chairman asked the desires of the Committee on Senate Bills 82 and 83, and Mr. Mikesic stated that he believed the question asked by the Chairman was a good one. Mr. Boyer stated that the opponents seemed to feel the freedom of choice was being taken from the companies and stated that he believed the freedom of others might be involved too, and wondered if amendments could be written to make it specific.

Mr. McCray stated that although he didn't hear all of the presentation, it seemed to him that the people themselves would know who would be able to do the work they needed in relation to Title 19; that he believed optometrists were overstepping a little.

The Chairman stated that there are a great number of questions in these bills and that is the reason he asked the questions; that they all talk about wanting to get along and we would have a year to see if they did.

Mr. Andrews moved that these two bills be tabled; that most of the plants were offering this service free and if they want their eyes checked they are taken care of; that when the optometrists want to negotiate these gentlemen said they would be willing to do so. The motion was seconded by Mr. McCray, and Mr. Buchele stated that he objected to this motion but that he would be willing to go along with passing them over; that he didn't think it would be fair to the bargaining position of the optometrists to table it; that he had some experience with Blue Cross in this area and that they are not able to deal with the optometrists regardless of what they say.

The Chairman stated that the motion was to table SB 82 and 83, and upon vote the motion lost 5 to 9. Thereupon, Mr. Rogers moved that the bills be carried over, and the motion was seconded by Mr. Mikesic. Motion carried unanimously.

Mr. Fribley moved that HB 1316 be recommended for passage, and Mr. Doyen stated that he wanted to call one item to the attention of the committee; that this bill which requires 20% of the total to be paid into a trust fund, would not require anything to be paid in until the total amount was paid, and that he felt this would be dangerous. Mr. Fribley withdrew his motion. He stated (Mr. Doyen) that he had no objection to the other proposals; that he believed the investment provision was alright. Mr. Buchele suggested that it maybe should be amended on page one, line six by striking the words "in full of" and inserting "toward" and striking the word "Prior". The Chairman requested that Mr. Doyen try to work this out with Mr. Bell, Mr. Boyer and Mr. Buchele and get the amendments together if they could agree.

Mr. Buchele moved that SB 347 be recommended for passage. Motion was seconded by Mr. Fribley and carried unanimously.

Mr. Jelinek moved that SB 397 be recommended favorably. Motion was seconded by Mr. Rogers and carried unanimously.

Mr. Jelinek moved that SB 400 be recommended for passage. The motion was seconded by Mr. Rogers and carried with Mr. Woodworth dissenting, and explaining that he opposed changing the residence requirement.

The meeting was adjourned.

MARGARET GENTRY, Secretary

NAME

- 226 Vision
- 227 External Examination
- 228 Refraction
- 229 Slit Lamp and Applanation Tonometry
- 230 Gonioscopy
- 231 Biomicroscopy Examination, Vitreous and Fundus
- 232 Fundus Examination
- 233 Fundus Examination with dilated pupil
- 234 Indirect Ophthalmoscopy, with Diagrams
- 235 Tension
- 236 Fields
- 237 Tonography
- 238 Glaucoma Provocative (Water Drinking, Angle Closure)
- 239 Skin Test - for Uveitis
- Orthoptic
- 240 Workup
- 243 Treatment
- 160 Consultation
- Reports
- 244 Insurance Forms
- 246 Dictated
- 247 Miscellaneous _____

DIAGNOSIS _____

TOTAL CHARGE \$ _____

APPROVED SIGNATURE _____

Associates in Ophthalmology
Kansas University Medical Center
39th and Rainbow
Kansas City, Kansas 66103
AD6-5252, Ext. 696

First Year Employer Rate 16%

KP&F

NEW EMPLOYERS AS OF 1-1-67

*Employee Cont. 7%
less 3.9% if
covered by S.S.*

*Employee
Cont.*

Arkansas City	(Board approved)	16 police	16 firemen	- 23.97
Atchison	(Board approved)	17 police	19 firemen	- 24.4
Fairway	(Board approved)	6 police	0 firemen	- 22.9
Fire Dist. # 2, Johnson Co.	(Board approved)	0 police	47 firemen	- 20.1
Junction City	(Board approved)	19 police	18 firemen	- 23.7
Kansas City	(Board approved)	6 police	71 firemen	- 27.5
Lawrence	(Board approved)	34 police	30 firemen	- 26.0
McPherson	(Board approved)	14 police	8 firemen	- 22.6
Newton	(Board approved)	19 police	19 firemen	- 28.0
Parsons	(Board approved)	16 police	20 firemen	- 29.8
Sedgwick Co., Fire Dist. #1	(Office approved)	52 firemen transferred from KPERS 10 not transferred		22.0
Topeka	(Board approved)	Future police & firemen only		14.8

Total Firemen - 310

Total Policemen 147

Grand Total 457

On page 2, between lines 19 and 20 by adding a new paragraph to read as follows:

"From and after September 1, 1967, all such corporations shall register with the state bank commissioner and file an annual report of the status of the permanent maintenance fund pursuant to rules and regulations of the state bank commissioner which are hereby authorized as necessary to carry out the provisions of this act.";

And that the bill be passed as amended.

Chairman.