

Approved

Rex Hoy  
Date 4-12-85

MINUTES OF THE House COMMITTEE ON Insurance

The meeting was called to order by Rep. Rex B. Hoy at  
Chairperson

1:15 ~~am~~/p.m. on Thursday, April 4, 1985 in room 521-S of the Capitol.

All members were present except:

Reps. Bryant, Graeber, King Lowther, Turnquist, Blumenthal, Cribbs,  
and Gjerstad

Committee staff present:

Emalene Correll, Kansas Legislative Research Department  
Melinda Hanson, Kansas Legislative Research Department  
Gordon Self, Revisor of Statutes Office  
Debby Cathey, Rep. Sprague's Secretary

Conferees appearing before the committee:

The meeting was called to order at 1:25 PM by Chairman Hoy, who later had to leave in order to attend a Ways and Means Committee meeting.

Sub. for S.B. 283 was considered. Emalene Correll spoke regarding Sub. for S.B. 283. She presented information concerning other states' PPO laws and pointed out the following:

Definitions of PPO - no set format for a PPO, and there are many different structures for this type of arrangement.

Three predominant models:

- (a) "lock-in" - only PPO providers must be used, but only for a limited time.
- (b) EPO - only can use providers in PPO
- (c) Type in which one can use providers other than those in PPO, but the copayments or deductibles might be different in the case of providers not in the PPO.

Variety in sponsors of PPOs - broker-sponsored, provider-sponsored and payor-sponsored.

Ms. Correll further stated that states have different types of legislation concerning PPOs. Some simply provide enabling legislation to allow such entities to exist, while others are more regulatory. She briefly described statutes of the following states: California, Florida, Indiana, Minnesota, Louisiana, Nebraska, Virginia, Wisconsin and Utah where the Insurance Commissioner has promulgated rules; there being no actual statute.

Ms. Correll's summary indicated that PPOs have been around for some time in California, but are fairly recent elsewhere. There are a variety of possible arrangements. She suggested there could be problems resulting from what she perceived as a limiting definition of a PPO in Substitute for S.B. 283.

There not being a quorum present, no further action was taken.

Meeting was adjourned by Rep. Sprague at 1:30 PM.