

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE

The meeting was called to order by Sen. Neil H. Arasmith at  
Chairperson

9:00 a.m./~~p.m.~~ on January 31, 1985 in room 529-S of the Capitol.

All members were present except:

Sen. Karr - Excused

Committee staff present:

Bill Wolff, Legislative Research  
Bruce Kinzie, Revisor of Statutes

Conferees appearing before the committee:

Larry Christ, Securities Commissioner  
David Skidgel, Attorney at Law, Kansas City  
Julia Young, Kansas Banking Department  
Dick Brock, Kansas Insurance Department  
Werner Gliebe, Kansas Employer Coalition on Health, Inc.  
Sheryl Jacobs, Business Men's Assurance Company

The Chairman began the meeting by reminding the committee of the joint meeting to be held with the House committee on Tuesday, February 5, at 3:00 p.m. for an informative presentation by the Director of the National Insurance Commissioners Organization.

The Chairman called on Larry Christ of the Insurance Commissioner's office for his request for the introduction of a bill. (See Attachment I.) Mr. Christ explained to the committee that this bill had been passed in the Senate last session but had been overlooked on the House calendar and, thus, was not voted upon before the House adjourned. He added that when 17-1262a was passed two years ago, some words were misplaced which resulted in not expressing the legislative intent of the statute. The bill would clear up this technical fault.

Sen. Reilly made a motion to introduce the bill and refer it back to committee.  
Sen. Gordon seconded the motion, and it carried.

The hearing began on SB 58 which amends the uniform consumer credit code and which was introduced at the request of the Consumer Credit Commissioner. Don Phelps, Consumer Credit Commissioner, introduced David Skidgel, an attorney from Kansas City, Kansas, to testify in support of the bill. He said that the need for this amendment came to his attention through some law suits with which he is involved. The suits were filed against the FDIC after it tried to collect on bad UCCC loans left by a closed bank. The statute dealing with this (16a 2-301) states that if not supervised by a financial institution, collections cannot be taken or made on loans under the UCCC. FDIC, not having a consumer loan license, was sued when it took collection on the UCCC loans from closed banks. There is a strong penalty for doing so. Mr. Skidgel said that the intent of the statute was not to ban the FDIC from the liquidation of assets. He, therefore, is asking that the UCCC be made to be specific in regard to the FDIC rather than letting the courts do it.

Sen. Harder asked if Kansas is the only state where this problem with the UCCC is occurring, and Mr. Skidgel answered that it is not. He added that the problem has arisen because of the credit system where the cost of funds outstripped the usuary ceiling in Kansas, and loans were made under the UCCC which were not intended in the UCCC.

Sen. Gannon inquired if this bill would affect the outcome of Mr. Skidgel's cases. Mr. Skidgel replied that it would not affect his cases at all but that he would like it cleared up for the future.

Julia Young, Kansas Banking Department, followed with testimony in support of the bill. She stated that she feels this legislation is in the public interest because when a bank is closed and the FDIC is appointed to liquidate, the process is handled very smoothly. The bill would close a questionable area and allow the FDIC smooth transitions.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE,  
 room 529-S, Statehouse, at 9:00 a.m./~~p.m.~~ on January 31, 1985

The hearing on SB 58 was concluded.

The hearing on SB 19 which would allow insurance companies to offer alternative rates of payment with health care providers began with the Chairman asking Staff to review the background of the bill.

Staff explained that the bill is a result of an interim study made by the Special Committee on Public Health and Welfare which met for the purpose of studying health care cost issues. The committee came to the realization that there is increasing competition among health care providers. The statute (K.S.A. 40-231) prohibiting insurance companies from entering into direct negotiations between health care providers was determined to be an impediment standing in the way of health care. The language in the bill would remove this impediment for insurance companies getting involved with the health care providers.

The Chairman called on Dick Brock, Kansas Insurance Department, for his testimony in support of the bill. He stated that K.S.A. 40-231 limits what insurance companies can do to transact insurance. He explained that the bill has been rearranged. When the bill was first printed, it was noticed that the rearrangement of subsection 1 (a) prohibiting insurance companies from doing anything except as provided in subsection (b) did not make sense without the excluded language. This was clarified by adding to subparagraph (3) in subsection (b) new language that will allow insurance companies to negotiate with health care providers as a third party. (See Attachment II.) This will allow insurance companies to deal with preferred provider organizations which is becoming popular.

Sen. Harder had a question as to subparagraph (b), subsection (2), as to how it is relative to health care. Mr. Brock explained that this statute does not deal only with health care but is intended to be a general statute applying to insurance companies for all insurance. He added that there will be a companion bill for health care providers.

Werner Gliebe, Kansas Employer Coalition on Health, Inc., gave testimony in support of SB 19. (See Attachment III.) He added that he would also support Mr. Brock's companion bill.

Last to appear in support of SB 19 was Sheryl Jacobs, Business Men's Assurance Company. She began by saying ~~that~~ she was appearing before the committee because she feels that it should hear from a commercial insurance carrier. She informed the committee that health insurance carriers have had a difficult time staying in business because they cannot make a profit. The marketplace is changing now, but commercial insurance carriers are not able to change with it. They need to be allowed to be competitive and to enter into preferred provider organization agreements if they are going to stay in the insurance business.

Sen. Strick inquired as to why the insurance companies do not have this opportunity. Ms. Jacobs answered that it is because they are limited by law. Staff explained further that 40-231 limits insurance to only selling insurance. It was amended a few years ago to authorize administrative service, but that is all. They still cannot enter into direct negotiations for a price; they must deal with the consumer, not the hospital.

The Chairman informed the committee that Don Snyder of Wichita, who represents the Sedgwick Couth Medical Cost Containment Round Table, was scheduled to testify in support of SB 19 but could not come because of the weather. Mr. Snyder will be sending copies of his testimony supporting the proposal for the committee members. With this, the hearing on SB 19 was concluded.

The Chairman asked the committee if it wished to act on the bills heard today.

Sen. Harder made a motion to recommend SB 58 favorably and that it be put on the Consent Calendar. Sen. Burke seconded the motion, and it carried.

Sen. Burke made a motion to adopt the proposed amendments offered by the Insurance Department on SB 19. Sen. Strick seconded, and the motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE,  
room 529-S, Statehouse, at 9:00 a.m.~~a.m.~~ on January 31, 1985.

Sen. Burke made a motion to report SB 19 favorably as amended. Sen. Harder seconded the motion. The motion carried.

The Chairman called attention to the minutes of the last meeting. The minutes were approved with the notation that Sen. Reilly's name had been misspelled in the fourth paragraph.

The meeting was adjourned.

SENATE COMMITTEE

ON

FINANCIAL INSTITUTIONS AND INSURANCE

OBSERVERS  
(Please print)

DATE	NAME	ADDRESS	REPRESENTING
	L.M. CORNISA	Topeka	Bank & PIC Cos
	Dick Brock	"	Ins Dept
	John Peterson	"	Ks Assn Prof Psychologists
	Julia Young	"	Ks Banking Dept.
	Don Phelps	"	Cons. Cn. Comm.
	David H. Skidgel	KC K	FDIC
	John Spurgeon	Lawrence	Budget
	Tom Bell	Topeka	Ks. Hosp. Assn.
	Bob Corn	KC	SAVERS LIFE
	JERRY GAUGHTER	"	KS MEDICAL SOCIETY
	Jim May	"	KFA
	Shirley Jacobs	Kansas City	Business News Assurance Co
	Werner Giebe	Topeka	KS. Employer Coalition on Health
	M. Hawer	"	Capital Journal
	DENNIS DEHN	"	SEN. WELTS' INTERN
	LEE WRIGHT	MISSION, Ks	FARMERS INS. GROUP

## SENATE BILL No. 859

By Committee on Federal and State Affairs

3-20

0015 AN ACT concerning securities; certain exemptions from securi-  
0016 ties registration requirements; amending K.S.A. 1983 Supp.  
0017 17-1262a and repealing the existing section.

0018 *Be it enacted by the Legislature of the State of Kansas:*

0019 Section 1. K.S.A. 1983 Supp. 17-1262a is hereby amended to  
0020 read as follows: 17-1262a. (a) As used in this section:

0021 (1) "Commission or other remuneration" shall include any  
0022 consideration, compensation or fees paid or given to an agent in  
0023 exchange for the agent's services, except that "commission or  
0024 other remuneration" shall not include any interest in the oil and  
0025 gas estate, including any overriding royalty interest, or the pro-  
0026 duction therefrom so long as the identity of the person or persons  
0027 owning or holding any such interest and the extent of such  
0028 interest is fully disclosed to all purchasers.

0029 (2) "Public advertising or public solicitation" means any  
0030 offers to sell or sales that are effected by means of any advertising  
0031 or general solicitation printed in any brochure, prospectus, of-  
0032 fering memoranda, handbill, newspaper, magazine, periodical or  
0033 other publication of general circulation and mailed or delivered  
0034 to its subscribers or addressees, or communicated by radio,  
0035 public seminar, television, general telephone solicitation, or  
0036 similar means.

0037 (3) "Purchasers" means any individual, corporation, partner-  
0038 ship, association, joint stock company, trust or unincorporated  
0039 organization, except that if such entity was organized for the  
0040 specific purpose of acquiring the oil or gas interests offered, each  
0041 beneficial owner of equity interests or equity securities in such  
0042 entity shall count as a separate purchaser.

0043 (b) Except as hereinafter expressly provided, K.S.A. 17-1254,

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Attachment I



0034 17-1255, 17-1256, 17-1257, 17-1258, 17-1259 and 17-1260, and  
0035 amendments thereto, shall not apply to any offer to sell or sale of  
0040 any limited partnership interest involving, or any fractional or  
0047 undivided interest, or any certificate based upon any fractional  
0048 or undivided interest in any oil or gas royalty, lease or deed,  
0049 including subsurface gas storage and payments out of produc-  
0050 tion, if the land subject to the interest or certificate is situated in  
0051 Kansas and:

0052 (1) All sales are made to persons who are and have been  
0053 during the preceding two years engaged primarily in the busi-  
0054 ness of drilling for, producing, or refining oil or gas or whose  
0055 corporate predecessor, in the case of a corporation, has been so  
0056 engaged or whose officers and 2/3 of the directors, in the case of a  
0057 corporation having an existence of less than two years, have each  
0058 been so engaged; or

0059 (2) all sales are made to not more than a total of 32 purchasers  
0060 without regard to whether the purchasers reside within or with-  
0061 out the state of Kansas, and:

0062 (A) The seller of such interests reasonably believes that all  
0063 purchasers of such interests are purchasing for investment and  
0064 not for resale; and

0065 (B) no commission or other remuneration is paid or given  
0066 directly or indirectly for the solicitation, offer to sell or sale of  
0067 any such interests; and

0068 (C) no public advertising or public solicitation is used in  
0069 connection with the solicitation, offer to sell or sale of any such  
0070 interest; or

0071 (3) all sales of such interests involve properties that produce  
0072 oil or gas or petroleum products in paying quantities on the date  
0073 of sale and the seller, subsequent to the sale, does not retain any  
0074 ownership interest in or control over the lease or the interest or  
0075 interests that are being sold.

0076 (c) The exemption provided by this section shall not be  
0077 cumulative to or used in conjunction with any other exemption  
0078 provided under K.S.A. 17-1262 and amendments thereto, nor  
0079 shall any exemption provided by this section or by K.S.A. 17-  
0080 and amendments thereto, other than the exemption pro-

0081 vided by subsections (a), (e) or (n) of that section or by this  
0082 section, be available for any offer to sell or sale of any limited  
0083 partnership interest involving, or any fractional or undivided  
0084 interest, or any certificate based upon any fractional or undi-  
0085 vided interest in any oil or gas royalty, lease or deed, including  
0086 subsurface gas storage and payments out of production.  
0087 Sec. 2. K.S.A. 1983 Supp. 17-1262a is hereby repealed.  
0088 Sec. 3. This act shall take effect and be in force from and  
0089 after its publication in the statute book.

# SENATE BILL No. 19

By Special Committee on Public Health and Welfare

Re Proposal No. 40

12-19

0018 AN ACT relating to insurance; concerning certain prohibitions  
0019 on business activities by insurance companies; amending  
0020 K.S.A. 40-231 and repealing the existing section.

0021 *Be it enacted by the Legislature of the State of Kansas:*

0022 Section 1. K.S.A. 40-231 is hereby amended to read as fol-  
0023 lows: 40-231. (a) *Except as otherwise provided in subsection (b),*  
0024 *no insurance company shall directly or indirectly deal or trade in*  
0025 *goods, wares or, merchandise or other commodities, except such*  
0026 *as may have been insured by it and such as may be sold under*  
0027 *judicial process or otherwise, in which, or in the profits of the*  
0028 *sale of which, it may be interested by reason of having pre-*  
0029 *viously entered into any contract of insurance, indemnity or*  
0030 *suretyship.*

Delete.

0031 (b) This section shall not prohibit a *an insurance company:*  
0032 (1) From entering into an agreement to provide administrative  
0033 services to a person, firm or corporation with respect to legally  
0034 constituted plans of insurance or indemnity; (2) *from directly or*  
0035 *indirectly dealing or trading in goods, wares, merchandise or*  
0036 *other commodities which are insured by the insurance company*  
0037 *or which may be sold under judicial process or otherwise; or (3)*  
0038 *from negotiating and entering into contracts for alternative*  
0039 *rates of payment with health care providers, and offering the*  
0040 *benefit of such alternative rates to insureds who select such*  
0041 *providers.*

or other parties who have arranged for alternative rates of payment with health care providers

0042 Sec. 2. K.S.A. 40-231 is hereby repealed.

0043 Sec. 3. This act shall take effect and be in force from and  
0044 after its publication in the Kansas register.

Attachment II

Atch. I  
1/31/85





Over the past 30 years, health care has been the fastest rising cost of doing business in America. Health care costs continue to increase faster than the overall inflation rate, affecting the bottom line financial results of business throughout the country.

Kansas employers now spend about \$750 million every year on health benefits! The 1984 KECH survey of 335 Kansas employers found health benefits costs had increased about 20% in each of the last three years. About 1/4 of all employers had premium increases over 29% in the past year. The survey made several observations.

Continued efforts by more employers to increase the price sensitivity of consumers are needed, including increased cost-sharing through higher deductibles and copayments. Interim steps like utilization review and mandatory second surgical opinions should become more common. Employer use of negotiated payment arrangements with efficient providers will increase. Employee incentives to improve health should also be increased to improve productivity as well as lower long term health benefits expenses.

The Kansas Employer Coalition on Health (KECH) became active in May, 1983 in supporting Kansas employers in their efforts to contain health care cost growth.

The **primary mission of KECH** is to pursue an effective strategy to contain health care costs, by:

- Controlling growth in consumer demand
- Increasing health system efficiency
- Controlling growth in health resource supply

### KECH Objectives

- More cost effective delivery of health services
- More competitive choices for consumers
- More appropriate use of services by consumers
- Improved health through prevention

### Current Major Activities

- Education
  - Conferences
  - Seminars
  - Bulletins
  - Newsletters
- Make price data for hospital/physician services available to employers.
- Work with the legislature on issues of concern to employers.
- Cooperate with state government in cost containment efforts.
- Cooperate with hospitals and physicians in activities consistent with KECH goals.
- Provide technical and staff support to members in local community cost containment efforts.

As of August, 1984 there were 77 employer members with over 27,000 full time employees, 59,000 dependents, and 125,000 Medicaid eligibles. KECH membership is open to all employers, in both the public and private sectors, including health insurers and health providers.

## MEMBERSHIP APPLICATION

The following organization wishes to become a member of the Kansas Employer Coalition on Health.

Name of Company/Organization \_\_\_\_\_ Date \_\_\_\_\_

Contact Person \_\_\_\_\_ Number of Kansas Employees\* \_\_\_\_\_

Address \_\_\_\_\_ Phone \_\_\_\_\_

\*The yearly membership investment is \$1.50 for each full time equivalent (FTE) Kansas based employee receiving health benefits, with a minimum of \$75.00, and a maximum of \$3,000.

Please return this form to:

Payment enclosed

Please send me more information.

Werner A. Giebe, Managing Consultant  
 Kansas Employer Coalition on Health  
 1271 S.W. Harrison St.  
 Topeka, KS 66611  
 Phone: 913/233-0351



## MEMBERS

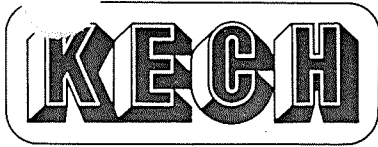
Acme Foundry, Inc.  
Ag Press, Inc.  
Allen Press, Inc.  
Armfield-Cole Consultants, Inc.  
Balderson Inc.  
Blue Cross and Blue Shield of Kansas  
Business Men's Assurance Co. of America  
Cessna Aircraft Company  
Clair Law Associates  
Clennan-Martell Agency  
Community Hospital, Onaga  
Consolidated Benefit Plans, Inc.  
Delta Dental Plan of Kansas  
Didde Graphic Systems Corporation  
Dillon Companies, Inc.  
Dorth Coombs Insurance, Inc.  
E.I. duPont de Nemours & Co., Inc.  
Episcopal Diocese of Kansas  
Equitable Life Assurance Society of U.S.  
Exline, Inc.  
Fuller Brush Company  
Gaines Foods  
Goodyear Tire & Rubber Company  
Great Plains Ventures, Inc.  
Great Western Manufacturing Co., Inc.  
Health Care Plus, Inc.  
HealthCheck, Inc.  
Health Systems Agency of N.E. Kansas  
Health Systems Agency of S.E. Kansas  
Insurance Management Associates, Inc.  
Internal Medicine, P.A.  
K. C. Coatings, Inc.  
Kansas Chiropractors Association  
Kansas City Health Care  
Kansas City, KS Area Chamber of Commerce  
Kansas Farm Bureau & Affiliated Companies  
Kansas Foundation for Medical Care, Inc.  
Kansas Hospital Association  
Kansas Medical Society  
Kansas Pharmacists Association  
Kansas Power & Light Company  
Kennedy and Coe  
Key Industries, Inc.  
Krause Plow Corporation, Inc.  
Kustom Electronics, Inc.  
LaHood & Associates  
Lawrence Paper Company  
Legg Company, Inc.  
Love Box Company  
M-C Industries, Inc.  
Main Hurdman, C.P.A.s  
Marsh & McLennan Group Associates, Inc.  
Martin Tractor Company  
McNally Pittsburg, Inc.  
Merchants National Bank  
Midwest Solvents Company, Inc.  
Mize, Houser, Mehlinger & Kimes  
Monarch Cement Company  
N.R. Hamm Quarry, Inc.  
Orthopedic & Sports Medicine of Wichita  
Quaker Oats Company  
Radiology & Nuclear Medicine, P.A.  
Ritchie Corporation  
SHARE, Inc.

Security Benefit Group, Inc.  
St. Francis Hospital & Medical Center  
St. Margaret's Mercy Hospital  
State Department of Social & Rehabilitation Services  
Stauffer Communications, Inc.  
Stormont-Vail Regional Medical Center  
The Broderick Company  
The Wichita Clinic  
The Wichita Eagle & Beacon Co., Inc.  
Thies Companies, Inc.  
TRW Oilwell Cable Division  
Warner Manufacturing Company  
Women's Clinic

AN EMPLOYER  
COALITION WORKING  
TOWARD EFFICIENT  
HEALTH CARE

**KECH**

**KANSAS EMPLOYER COALITION  
ON HEALTH, INC.**  
1271 SW HARRISON  
TOPEKA, KS 66612  
(913) 233-0351



# Kansas Employer Coalition on Health, Inc.

1271 S.W. Harrison • Topeka, Kansas 66612 • (913) 233-0351

TESTIMONY ON SENATE BILL 19

BEFORE THE

SENATE COMMITTEE ON COMMERCIAL AND FINANCIAL INSTITUTIONS

January 31, 1985

Good Morning, members of the Committee. I am Werner Gliebe, managing consultant for the Kansas Employer Coalition on Health (KECH). KECH is a statewide organization of employers formed because of employer concern about rising health benefits costs, which over the past 30 years has been the fastest rising cost of doing business in America. Today, KECH represents 90 employer members who pay the health bills for over 70,000 full time employees, plus about 100,000 dependents and 125,000 Medicaid eligibles, more than 12% of the total Kansas population. A list of members by primary location is attached.

The primary mission of KECH is to achieve long term changes in health care by:

- 0 Controlling growth in consumer demand,
- 0 Increasing competition and health system efficiency, and
- 0 Controlling growth in health resource supply.

All its actions are aimed toward these ends, while being aware of the need to assure health care quality.

The bill before you today is a direct response to testimony by KECH last fall before the Special Committee on Public Health and Welfare. At that time, we suggested two practical steps that could be taken to increase competition and further cost containment in health care in Kansas. One step is to make price information available to consumers, employers and purchasers so that cost can become one factor in the choice of medical

1/31/85  
Attachment III

Testimony on Senate Bill 19  
before the Senate Committee on Commercial and Financial Institutions

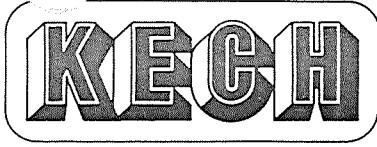
services. The other is to allow all types of purchasers to negotiate alternative rates of payment with providers, the subject of S.B. 19.

S.B. 19 modifies K.S.A. 40-231 which has been interpreted by the Insurance Department as prohibiting insurers from entering into preferred provider arrangements. It gives insurers the right to negotiate for lower rates with providers that is already available to union trust funds, self insured employers and non-profit health service organizations like Blue Cross and Blue Shield of Kansas and Kansas City. The incentives for providers often include additional volume and prompt claims payment.

In order to protect Kansas consumers, a companion bill has been drafted by the Insurance Department with input from KECH, major employers, physicians, hospitals, and insurers. That bill describes the arrangements permitted under S.B. 19. All of the parties involved strongly support both bills. Their passage will move toward equity among all purchasers in their relationships with providers while dramatically furthering a competitive environment in health care in Kansas.

Several insurers, hospitals, third party administrators, physician groups and large employers are now preparing to structure preferred provider arrangements in anticipation of prompt action on both S.B. 19 and its companion bill. The members of KECH urge you to support this competitive initiative.

Thank you for the opportunity to present these remarks. I would be pleased to answer any questions you may have.



# Kansas Employer Coalition on Health, Inc.

1271 S.W. Harrison • Topeka, Kansas 66612 • (913) 233-0351

## BOARD OF DIRECTORS

CHAIRMAN: A.W. (Bill) Woellhof 913/296-6465  
Vice President-Administration  
Kansas Power & Light Company  
P.O. Box 889  
Topeka, KS 66601

VICE-CHAIRMAN: Robert Hedrick 316/792-1711  
Director of Human Resources  
Fuller Brush Company  
Westport Addition, Box 729  
Great Bend, KS 67530

SECRETARY: Harold D. Ryan 316/663-6801  
Vice President-Human Resources  
Dillon Companies, Inc.  
P.O. Box 1266  
Hutchinson, KS 67504-1266

TREASURER: William R. Wachs 913/843-8111, Ext. 283  
Lawrence Paper Company  
2801 Lakeview Rd., P.O. Box 887  
Lawrence, KS 66044

Wayne Johnston, President  
Blue Cross and Blue Shield of Kansas  
P.O. Box 239  
Topeka, KS 66629  
913/295-4600

Carole Hayes  
Love Box Company, Inc.  
P.O. Box 546  
Wichita, KS 67201  
316/838-0851

Fred C. Bright  
Cessna Aircraft Company  
P.O. Box 1521  
Wichita, KS 67201  
316/688-4090

Paula N. McClure  
Vice President-Personnel  
Security Benefit Group, Inc.  
700 Harrison St.  
Topeka, KS 66636  
913/295-3199

Douglas Exline  
Vice President & Secretary  
Exline, Inc.  
P.O. Box 1267  
Salina, KS 67401  
913/825-4683

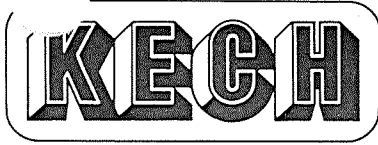
E. Maurice Nuss  
Stauffer Communications, Inc.  
616 Jefferson St.  
Topeka, KS 66607  
Home: 913/233-4474

Harry J. Brownlee, Employment Manager  
Goodyear Tire & Rubber Company  
P.O. Box 1069  
Topeka, KS 66601  
913/295-7111

Howard M. Chase  
President & CEO  
Stormont-Vail Regional Medical Center  
1500 S.W. 10th St.  
Topeka, KS 66606  
913/354-6112

Jimmie A. Gleason, M.D.  
Kansas Medical Society  
1300 Topeka Blvd.  
Topeka, KS 66612  
913/235-2383





# Kansas Employer Coalition on Health, Inc.

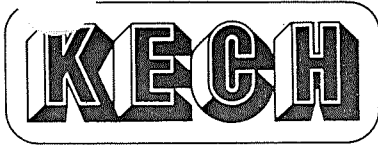
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## KECH MEMBERS BY PRIMARY LOCATION

### TOPEKA

Security Benefit Group, Inc.  
Mize, Houser, Mehlinger & Kimes  
SHARE, Inc.  
Stauffer Communications, Inc.  
Kansas Foundation for Medical Care, Inc.  
M-C Industries, Inc.  
Kansas Hospital Association  
Stormont-Vail Regional Medical Center  
Kansas Power & Light Company  
Martin Tractor Company  
Internal Medicine, P.A.  
Blue Cross and Blue Shield of Kansas  
Main Hurdman, C.P.A.s  
Consolidated Benefit Plans, Inc.  
Goodyear Tire & Rubber Company  
Episcopal Diocese of Kansas  
Gaines Foods  
Kansas Medical Society  
Kansas Pharmacists Association  
Merchants National Bank of Topeka  
Clennan-Martell Agency, Inc.  
Kansas Chiropractic Association  
Health Systems Agency of N.E. Kansas  
St. Francis Hospital & Medical Center

Marsh & McLennan Group Assoc., Inc.  
Radiology & Nuclear Medicine  
E.K. du Pont de Nemours & Co., Inc.  
Kansas Dept. of Social & Rehabilitation Services  
Medevac Midamerica, Inc.  
The Menninger Foundation  
Kansas State Employees Health Care Commission  
Employee's Benefit Association (EBA)



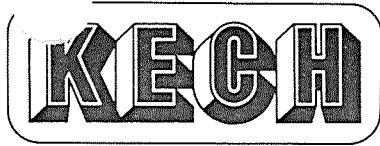
## Kansas Employer Coalition on Health, Inc.

1271 S.W. Harrison • Topeka, Kansas 66612 • (913) 233-0351

### KECH MEMBERS BY PRIMARY LOCATION

#### WICHITA

Delta Dental Plan of Kansas  
Dorth Coombs Insurance, Inc.  
Women's Clinic  
Insurance Management Associates, Inc.  
Ritchie Corporation  
The Wichita Eagle and Beacon Co., Inc.  
Love Box Company, Inc.  
Orthopedic & Sports Medicine of Wichita  
Health Systems Agency of S.E. Kansas  
Cessna Aircraft Company  
Great Plains Ventures, Inc.  
Health Care Plus, Inc.  
The Wichita Clinic  
Armfield-Cole Consultants, Inc.  
Sharpline Converting, Inc.  
Aetna Life & Casualty Co.  
Slawson Companies, Inc.  
Grede Foundries, Inc.  
James Ray Company, Inc.

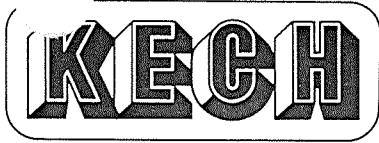


# Kansas Employer Coalition on Health, Inc.

1271 S.W. Harrison • Topeka, Kansas 66612 • (913) 233-0351

## KECH MEMBERS BY PRIMARY LOCATION

ASSARIA	Great Plains Manufacturing, Inc.
ATCHISON	Midwest Solvents Company, Inc.
CHANUTE	Kustom Electronics, Inc.
COFFEYVILLE	Acme Foundry, Inc.
EMPORIA	Didde Graphic Systems Corporation City of Emporia
FORT SCOTT	Key Industries, Inc.
FREDONIA	St. Margaret's Mercy Hospital
GARNETT	Warner Manufacturing Company
GREAT BEND	Thies Companies, Inc. Fuller Brush Company
HALSTEAD	Legg Company, Inc.
HUMBOLDT	The Monarch Cement Company
HUTCHINSON	Dillon Companies, Inc. Krause Plow Corporation, Inc. PMS Foods, Inc.
KANSAS CITY, KS	Kansas City, KS Area Chamber of Commerce
KANSAS CITY, MO	Business Men's Assurance Company of America
LAWRENCE	The Lawrence Paper Company The Quaker Oats Company Allen Press, Inc. TRW Oilwell Cable Division



# Kansas Employer Coalition on Health, Inc.

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## KECH MEMBERS BY PRIMARY LOCATION

LEAVENWORTH	Great Western Manufacturing Company, Inc.
LENEXA	K.C. Coatings, Inc. Robbie Manufacturing, Inc.
MANHATTAN	Kansas Farm Bureau and Affiliated Companies Ag Press, Inc. Clair Law Associates/Gardner & White
MCPHERSON	The Wall-Rogalsky Milling Company National Cooperative Refinery Association
ONAGA	Community Hospital District #1
OVERLAND PARK	LaHood & Associates, Inc. The Equitable Life Assurance Society of the U.S.
PERRY	N.R. Hamm Quarry, Inc.
PITTSBURG	McNally Pittsburg, Inc.
SALINA	Exline, Inc. Kennedy and Coe
SHAWNEE MISSION	Kansas City Health Care
WAMEGO	Balderson, Inc.