

MINUTES OF THE House COMMITTEE ON Insurance

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

3:30 XX a.m./p.m. on February 10, 1986 in room 521-S of the Capitol.

All members were present except:
Rep. Neufeld, excused

Committee staff present:
Melinda Hanson, Research Department
Gordon Self, Revisor's Office
Deanna Willard, Committee Secretary

Conferees appearing before the committee:
Mr. Dick Brock, Kansas Insurance Department
Mr. John Knack, HMO Kansas

The meeting was called to order by the Chairman.

The Chairman announced that final action on House Bill 2740 would be postponed for a few days.

Final action: House Bill 2741. It was explained that this bill adds the name of the African development bank to the list of banks in the statutes in which Kansas insurance companies can invest.

Rep. Blumenthal moved that the bill be reported favorably; Rep. Graeber seconded the motion. The motion carried.

Final action: House Bill 2499. Mr. Dick Brock, Insurance Department, explained that this bill strengthens the Department's control over companies deemed to be in hazardous financial distress. It requires participation in the NAIC insurance regulatory information system of such companies and has the same provisions as HB 2834. It was suggested that Section 2 be deleted to eliminate objections to the bill. Also, the use of the term "new" is to be interpreted as new and renewal policies.

There was a motion by Rep. Lowther to strike Section 2 from the bill; it was seconded by Rep. Littlejohn. The motion carried. Rep. Lowther then moved that the bill be reported favorably as amended; the motion was seconded by Rep. King. The motion carried.

Final action: House Bill 2798. Mr. Dick Brock reiterated the three provisions of this bill. It would remove the stated \$10.00 agent's exam fee and permit the fee to be set by the Rules and Regulations Committee. Also, it would limit the number of retakes to two in a 12-month period. Neither the exam fee nor certification fee would be refunded for any reason.

Rep. Turnquist moved that the amended language be deleted from Line 72 and that the original language stand. The motion was seconded by Rep. Lacey. The motion carried. Rep. King moved that the bill be reported favorably; Rep. Blumenthal seconded the motion. The motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Insurance,
room 521-S, Statehouse, at 3:30 ~~a.m.~~^{XX}/p.m. on February 10, 1986

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Hearing on: House Bill 2796 - relating to certification of quality of care of HMOs.

Mr. Dick Brock spoke for this bill, Insurance Department Proposal 4. Lines 29--37 have been deleted; they contained a requirement that the Commissioner arrange for examination of HMOs with assistance from other organizations that had expertise in this area. However, there is no funding for this assistance, so it is now being left to the individual HMOs to hire an independent firm acceptable to the Commissioner. Mr. Brock stated that they were seeking to require these examinations because it is their obligation under Kansas statutes to see that Kansas citizens are receiving quality care.

The next conferee was Mr. John Knack, Executive Director, HMO Kansas. He informed the Committee of the requirements to be federally qualified. An onsite review is done, as are periodic re-reviews. He suggested that rather than an independent peer review organization, the Commissioner provide for a professional review organization (a group of physicians, for example) to perform the certification exams. He also requested that the three-year time stipulation begin at the time the legislation is passed.

The minutes of the previous meeting were approved.

The meeting was adjourned at 4:25 p.m. by the Chairman.

