Approved: 2/6/96
Date

MINUTES OF THE Senate Committee on Financial Institutions and Insurance.

The meeting was called to order by Chairperson Dick Bond at 9:08 a.m. on February 5, 1996 in Room 529-S of the Capitol.

All members were present.

Committee staff present: Dr. William Wolff, Legislative Research Department
Fred Carman, Revisor of Statutes
June Kossover, Committee Secretary

Conferees appearing before the committee: M. D. Michaelis, Gubernatorial Appointee to State Bank Board
Ann Koci, SRS
David Hanzlick, Kansas Dental Association
Taylor Markle, DDS
Kirk Collier, DDS
Scott Hamilton, DDS, MSD
Tom Wilder, Kansas Insurance Department
Bradley Smoot, Blue Cross/Blue Shield
Dr. Paul Boatwright
Cheryl Dillard, HealthNet
William Sneed, Health Insurance Association of America
Tad Kramar, Security Benefit Group of Companies

Others attending: See attached list

The chairman opened the confirmation hearing on M. D. Michaelis, State Bank Board appointee, by welcoming Mr. Michaelis and inviting him to provide a brief review of his banking involvement and experience. Mr. Michaelis has broad experience with banks of varying sizes in several locations. He stated that, in his opinion, the state of Kansas has a good banking department and, in response to Senator Steffes' question, stated that he has found federal examiners to be better trained and more knowledgeable than state examiners. (Attachment #1)

Senator Steffes made a motion, seconded by Senator Corbin, to recommend that the Senate confirm Mr. Michaelis' appointment to the State Bank Board. On a unanimous vote, the motion carried.

Ann Koci, SRS, appeared before the committee to request introduction of a bill to extend the period of time a government funded program has to file a Coordination of Benefits claim. (Attachment #2) Senator Corbin made a motion to introduce the legislation as requested. Senator Praeger seconded the motion; the motion carried.

The hearing was opened on **SB 483**, concerning insurance coverage of dental procedures of bones and joints of the face, neck and head. David Hanzlick, Kansas Dental Association, appeared as a proponent of this bill, stating that it would ensure fare and equitable treatment for patients who suffer from jaw disorders. (Attachment #3) Mr. Hanzlick also presented a financial impact statement, which is required of any legislation containing mandated coverage. (Attachment #4)

Dr. Taylor Markle testified that eliminating anatomical discrimination from insurance policies will create a more level playing field for all insurers and insureds and that the cost for adding these benefits is minimal. (Attachment #5)

Dr. Kirk Collier, Kansas Society of Oral and Maxillofacial Surgeons, testified that coverage for the treatment of disorders of joints and bones of the body is based on the fact that they meet medical necessity criteria and that disorders of the jaw joint also meet the medical necessity criteria. (Attachment #6)

Dr. Scott Hamilton appeared as a proponent of **SB 483**, advising the committee 49% of his patients with temporomandibular joint disorders are unable to seek treatment due to lack of insurance coverage and that TMJ and its maladies should be covered as any other joint. (Attachment #7)

Tom Wilder, Kansas Insurance Department, stated that the Insurance Department views this issue not as an additional mandate, but rather a matter of fairness since procedures for other bones and joints are covered. (Attachment #8)

Brad Smoot, Blue Cross/Blue Shield, appeared in opposition to **SB 483**, listing the reasons BCBS opposes state mandated health care benefits. (Attachment #9)

Paul Boatwright, DDS, expressed his concern that the mandate is too broad and may encourage too many providers to provide too much treatment, thereby adding too much to health insurance costs. (Attachment #10)

Cheryl Dillard, HealthNet, also appeared in opposition to this legislation, stating that the mandate would affect only fully insured plans and not the benefit packages of self-insurers; therefore, any premium increases would be borne by only the fully insured plans. (Attachment #11)

William Sneed, Health Insurance Association of America, testified that coverage for jaw joint problems is currently available to consumers and that employers, not health insurance companies, choose which plans they wish to participate in. (Attachment #12)

Tad Kramar, Security Benefit Group, requested that the bill be amended by inserting the sentence, "This act does not apply to dental insurance policies," on line 16 of the bill. (Attachment #13)

Senator Corbin made a motion to approve the minutes of the meeting of February 1 as submitted. Senator Emert seconded the motion; the motion carried.

The committee adjourned at 9:53 a.m. The next meeting is scheduled for February 6, 1996.

SENATE FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE GUEST LIST

DATE: 2/5/96

NAME	REPRESENTING
BRAD SMOOT	BCBS
Bill Sneed	KDAA
Cheryl Dillard	HealthNet
Kathy Peterson	Prudential
Teresa Heron	AmWesters
Melissa Wangemann	Hein Ebert & Weir
Kelly Kultala	KTLA
Rogers Brazier	ST. Treasurer
Carl Schmidt Hammer	Ks Dental Assn
Tom Wilken	KDOR Ins. Dept
Kori Keeton	Appointments
Amy Johnson	Ks Bank Dept
Anna Kocia	SRS
Judy Krueger	Gov's office
JANET GLYNN	BCBS
[illegible]	Lt. Gov's Office
Megan Griggs	Keeney & Assoc.
Paul Cox	BCBS
David Hanson	Ks Life Insur Assoc
Jim Maag	KAHA
TODD KRAMER	SECURITY BENEFIT

SENATE FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE GUEST LIST

DATE: 2/5/96

NAME	REPRESENTING
Roger Tranel	FFC
David Hazlick	KS Dental Ass'n
TAYLOR MARKLE	KANSAS DENTAL ASS'N
Kirk Collier	Kansas Society of Oral & Maxillofacial Surgeons

SENATE CONFIRMATION QUESTIONNAIRE

Office of Governor Bill Graves

Please complete and return this form to the Governor's Appointments Office. Attach additional sheets if necessary.

Name: M. D. Michaelis

Home Address: 1531 Foliage Ct. Wichita, KS 67206

City, State, Zip:

Business Address: 130 N. Market, Box 2970, Wichita, KS 67201-2970

City, State, Zip:

Home Phone: 316-636-2126 Business Phone: 316-383-4349

Date of Birth: 04/16/46 Place of Birth: Russell, Ks

Party Affiliation: Independent KBI Check: ___ NA ___ In Process ___ Complete

Appointed as: Member - State Banking Board

Appointment Date: June 30, 1995 Expiration Date: March 15, 1998

Term Length: 3 year term Statutory Authority: K.S.A. 74-3006

Salary: $35 per meeting Predecessor: Marvin Max

Statutory Requirements: See attached

BACKGROUND

1. List high school, college, or other education institution attended along with the date attended and degree conferred.

Education Institution	Dates	Degree
University of Kansas	1969	M.S. - Finance
University of Kansas	1968	B.S. - Business
Wichita High School East	1964	Diploma

2. List memberships in business, trade and professional organizations for the past 10 years.

Organization	Dates
See attached list	

3. List any public offices you have been elected or appointed to, along with the dates of service.

Office Held	Dates
None	

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Attachment
#1

M. D. Michaelis

Board and/or Advisory Positions

Friends of the Wichita Art Museum
Greater University Fund - University of Kansas
School of Business Advisory Board - University of Kansas
Midwest Cancer Foundation
Wichita Symphony
Salvation Army
Wichita Clue
Hesston College Advisory Board
Wichita Technology Corporation

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4. List any positions held with a foreign, federal or local government entity along with the dates of service.

Position	Government Entity	Dates
none		

5. List any lobbying activities you have been involved in during the past five years. This includes activities as a registered lobbyist or lobbying activities for which you were compensated.

Group	Compensation (yes/no)	Dates
none		

6. List experience or interests which qualify you for the position to which you have been appointed. 26 years in banking

7. Summarize business and professional experience. 26 years in banking

8. List any service in the United States military. Include dates of service, branch, date and type of discharge.

Branch	Discharge	Dates

9. Provide details of any arrest, charge or questioning by a federal, state or other law enforcement authority for violation of any federal, state, county or municipal law, regulation or ordinance (excluding traffic violations for which a fine of $100 or less was imposed).

none

10. List and provide details of any interests that may present a conflict of interest for this position. none

I, M. D. Michaelis, declare that this questionnaire is true, correct and complete to the best of my knowledge.

M. D. Michaelis
Signature

11/21/95
Date

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Return completed questionnaire to Judy Krueger, Secretary of Appointments, State Capitol 226-S, Topeka, Kansas 66612. If you have questions, please call 913/ 296-4052.

KANSAS COMMISSION ON GOVERNMENTAL STANDARDS AND CONDUCT

STATEMENT OF SUBSTANTIAL INTERESTS FOR INDIVIDUALS WHOSE APPOINTMENT TO STATE OFFICE IS SUBJECT TO SENATE CONFIRMATION

INSTRUCTIONS. This statement (pages 1 through 4) must be completed by each person whose appointment to a state position is subject to Senate confirmation (K.S.A. 46-247 and 46-248). Failure to complete and return this statement may result in a fine of $10 per day for each day it remains unfiled. Also, any individual who intentionally fails to file as required by law, or intentionally files a false statement, is subject to prosecution for a class B misdemeanor.

Please read the "Guide" and "Definition" section provided with this form for additional assistance in completing sections "C" through "G". If you have questions or wish assistance, please contact the Commission office at 109 West 9th, Topeka, KS or call 913-296-4219.

A. IDENTIFICATION: PLEASE TYPE OR PRINT

Last Name	First Name	MI
MICHAELIS	M. D.	

Spouse's Name
MICHAELIS DEE

Number & Street Name, Apartment Number, Rural Route, or P.O. Box Number
1531 Foliage Ct

City, State, Zip Code
Wichita Ks 67206

Home Phone Number	Business Phone Number
316 ** 636 ** 2126	316 ** 383 ** 4349

B. APPOINTED POSITION SUBJECT TO SENATE CONFIRMATION:

List Name of Agency, Commission or Board
Board of State Banking Dpt

Position
Member

* *The last four digits of your social security number will aid in identifying you from others with the same name on the computer list. This information is optional.*

*

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OWNERSHIP INTERESTS: List any corporation, partnership, proprietorship, trust, joint venture and every other business interest, including land used for income in, which either you or your spouse has owned within the preceding 12 months a legal or equitable interest exceeding $5,000 or 5%, whichever is less. If you or your spouse own more than 5% of a business, you must disclose the percentage held. Please insert additional page if necessary to complete this section.

If you have nothing to report in Section "C", check here ____.

BUSINESS NAME AND ADDRESS	TYPE OF BUSINESS	DESCRIPTION OF INTERESTS HELD	HELD BY WHOM	PERCENT OF OWNERSHIP INTERESTS
SEE ATTACHED EXHIBIT			___ You ___ Spouse ___ Jointly	___
			___ You ___ Spouse ___ Jointly	___
			___ You ___ Spouse ___ Jointly	___
			___ You ___ Spouse ___ Jointly	___
			___ You ___ Spouse ___ Jointly	___
			___ You ___ Spouse ___ Jointly	___
			___ You ___ Spouse ___ Jointly	___

GIFTS OR HONORARIA: List any person or business from whom you or your spouse either individually or collectively, have received gifts or honoraria having an aggregate value of $500 or more in the preceding 12 months.

If you have nothing to report in Section "D", check here X.

NAME OF PERSON OR BUSINESS FROM WHOM GIFT RECEIVED	ADDRESS	RECEIVED BY:
1.		
2.		
3.		

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RECEIPT OF COMPENSATION: List all places of employment in the last calendar year, and any other businesses from which you or your spouse received $2,000 or more in compensation (salary, thing of value, or economic benefit conferred on in return for services rendered, or to be rendered), which was reportable as taxable income on your federal income tax returns.

1. YOUR PLACE(S) OF EMPLOYMENT OR OTHER BUSINESS IN THE PRECEDING CALENDAR YEAR. IF SAME AS SECTION "B", CHECK HERE ____.
   If you have nothing to report in Section "E"1, check here ____.

	NAME OF BUSINESS	ADDRESS	TYPE OF BUSINESS
1.	See attached exhibit		
2.			

2. SPOUSE'S PLACE(S) OF EMPLOYMENT OR OTHER BUSINESS IN THE PRECEDING CALENDAR YEAR.
   If you have nothing to report in Section "E"2, check here X.

	NAME OF BUSINESS	ADDRESS	TYPE OF BUSINESS
1.			
2.			

OFFICER OR DIRECTOR OF AN ORGANIZATION OR BUSINESS: List any organization or business in which you or your spouse hold a position of officer, director, associate, partner or proprietor at the time of filing, irrespective of the amount of compensation received for holding such position. Please insert additional page if necessary to complete this section.
If you have nothing to report in Section "F", check here ____.

	BUSINESS NAME AND ADDRESS	POSITION HELD	HELD BY WHOM
1.	See attached Exhibit		
2.			
3.			
4.			
5.			

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RECEIPT OF FEES AND COMMISSIONS: List each client or customer who pays fees or commissions to a business or combination of businesses from which fees or commissions you or your spouse received an aggregate of $2,000 or more in the preceding calendar year. *The phrase "client or customer" relates only to businesses or combination of businesses.* In the case of a partnership, it is the partner's proportionate share of the business, and hence of the fee, which is significant, without regard to expenses of the partnership. An individual who receives a salary as opposed to portions of fees or commissions is generally not required to report under this provision. Please insert additional page if necessary to complete this section.

If you have nothing to report in Section "G", check here X.

	NAME OF CLIENT / CUSTOMER	ADDRESS	RECEIVED BY
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			

DECLARATION:

I, M. D. Michaelis, declare that this statement of substantial interests (including any accompanying pages and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete statement of all of my substantial interests and other matters required by law. I understand that the intentional failure to file this statement as required by law or intentionally filing a false statement is a class B misdemeanor.

11/21/95
Date

M. D. Michaelis
Signature of Person Making Statement

NUMBER OF ADDITIONAL PAGES _____.

4 + 1

Return your completed statement to the Secretary of State, State House, Topeka, Kansas 66612.

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M. MICHAELIS - Statement of Substantial Interest - Exhibit

C. - Ownership Interests:

Business Name & Address	Type of Business	Description of interest held	Percent of Ownership /Interest
Michael D. Michaelis Trust	Trust	Real Estate /Oil & Gas	100%
Downtown Investments	Investment Club	Oil production	1/6
Blue Sky Holdings	Investments	Stocks	50%
Emprise Financial Corp.	Bank Holding Company		<5%
Emprise Bank - Hays	Bank		<5%
Emprise Bank - Hillsboro	Bank		<5%
Emprise Bank - Iola	Bank		<5%
Emprise Bank - Potwin	Bank		<5%
Emprise Bank - Wichita	Bank		<5%

F. - Officer or Director of an Organization or Business

Business Name	Position Held
Downtown Investments	Partner
Emprise Financial Corporation (I am also an officer or director of numerous subsidiaries of EFC)	President
Emprise Bank, N.A., Hays	Chairman
Emprise Bank, N. A., Hillsboro	Chairman
Emprise Bank, Iola	Chairman
Emprise Bank, Potwin	Chairman
Emprise Bank, Wichita	Chairman
Friends of the Wichita Art Museum	Board Member
Greater University Fun, University of Kansas	Board Member
School of Busines Advisory Bd., U of K	Board Member
Midwest Cancer Foundation	Board Member
Wichita Symphony	Board Member
Salvation Army	Board Member
Wichita Club	Board Member
Hesston College Advisory Board	Board Member
Wichita Technology Corporation	Board Member

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Kansas Department of Social and Rehabilitation Services
Rochelle Chronister, Secretary

Senate Committee on Financial Institution & Insurance

February 5, 1996

Mister Chairman and Members of the Committee, my name is Ann Koci, Commissioner of Adult and Medical Services for the Department of Social and Rehabilitation Services. Thank you for the opportunity to appear before you today on behalf of Secretary Chronister to request the introduction of a bill. The proposed bill has been drafted by the Revisor of Statutes' office at our request and is designated 5R1459 in that offices' numbering system.

The bill we are asking this committee to introduce concerns an extension of the period of time a government funded program, specifically Medicaid, has to file a Coordination of Benefits claim. Medicaid, by statute, is the payor of last resort and secondary to all other commercial carriers. Due to situations unique to the Medicaid program, it is not always possible to coordinate benefits within the current filing limitations set by the carrier. By asking for this legislation, the Agency is seeking to preserve the secondary payor statues of Medicaid by assuring sufficient time to file with the liable third party.

Again, it is requested this committee accept the proposed bill for introduction.

Thank you.

Ann Koci
Commissioner
296-3981

Senate FI&I
2/5/96
Attachment #2

PROPOSED BILL NO. ____

By

AN ACT concerning social welfare; medical assistance provided by the state; right to coordinate benefits with a private carrier.

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

Section 1. When medical assistance is furnished under K.S.A. 39-709 and amendments thereto or any other health care program funded by federal moneys or state moneys to a person having private health care coverage, the department of social and rehabilitation services or any other state agency furnishing such medical assistance shall be entitled to be subrogated to the rights that such person has against the carrier of such coverage to the extent of health care services rendered. Such action may be brought within three years from the date that service was rendered to such person.

Sec. 2. Every contract or agreement for private health care coverage entered into or renewed after July 1, 1996, is deemed to provide for payment to the state for actual cost the state incurs in rendering health care services to any party or beneficiary of such contract or agreement to the extent of benefits provided under the terms of the policy for services rendered.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

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KANSAS DENTAL ASSOCIATION

Statement in Support of S.B. 483
by David Hanzlick
Assistant Executive Director
Kansas Dental Association
February 5, 1996

Mr. Chairman and members of the Committee, I am David Hanzlick. I am the Assistant Director of the Kansas Dental Association. We very much appreciate the opportunity to appear before you today in support of S.B. 483, a bill to ensure fair and equitable treatment by health insurers of Kansans who suffer from jaw disorders.

S.B. 483 very simply states that if a service or procedure is covered by accident and sickness insurance for any bone or joint, then the same service or procedure must be covered for the jaw as well. We believe this is a matter of simple fairness.

The Kansas Dental Association has prepared the attached Social and Financial Impact Statement relating to this issue. We received the assistance of the Kansas Insurance Department in 1992 in surveying insurers about coverage of jaw disorders and the projected cost of providing equitable coverage. The impact report contains a summary of the coverages and costs. The complete correspondence is reprinted on the yellow sheets. I would briefly like to highlight three essential points from the impact report.

- First, disorders of the jaw occur in a small percentage of the population. Research shows that between three and seven percent of people have some evidence of a jaw disorder. Of those, only about six percent appear to seek treatment. Coverage is very important, however, for the small percentage who need treatment.

- Second, this bill encourages cost-effective early detection and treatment of jaw disorders. While many insurers exclude the jaw entirely, others limit treatment to surgery. This bill will encourage early treatment that is far less expensive and less invasive than surgery. A study in Minnesota following passage of similar legislation showed that early detection and treatment actually decreased the total expenditures for the treatment of jaw disorders within the population that was studied. The scientific literature on these topics is reproduced on the blue sheets.

- Third, assuring fairness and equity for people who suffer with jaw ailments is very inexpensive. Blue Cross and Blue Shield of Kansas, for example, estimated that equitable coverage will cost just $0.30 per month for individuals and $0.66 per month for families. That is a very small price for a condition that most insureds would reasonably assume is already covered.

Again, Mr. Chairman, I appreciate the Committee's consideration of this legislation and the impact report. I am pleased to introduce Dr. Taylor Markle, who is an Oral and Maxillofacial Surgeon in Shawnee. Dr. Kirk Collier will also address the Committee briefly. Dr. Collier is the President of the Kansas Society of Oral and Maxillofacial Surgeons. He practices in Shawnee Mission.

5200 Huntoon
Topeka, Kansas 66604
913-272-7360

Senate H+H
2/5/96
Attachment #3

EQUALITY OF COVERAGE FOR THE BONES AND JOINTS OF THE FACE, NECK AND HEAD

SOCIAL AND FINANCIAL IMPACT STATEMENT

Prepared by

K. David Hanzlick, M.A., CAE
Assistant Executive Director
Kansas Dental Association
January, 1996

Senate 7/4/1
2/5/96
Attachment # 4

Explanation
Equality of Coverage Requirement

The attached legislative proposal adds to Kansas law a requirement that if an insurance policy provides coverage for diagnostic, therapeutic, or surgical treatment of the bones or joints of the human body, the insurance policy provide the same coverage for the same services that involve the bones and joints of the face neck or head. The proposal is intended to: (1) to provide that insurance policies must provide coverage for services involving the bones and joints of the face, neck and head in the same manner as they would provide coverage for any other bone or joint of the human body; (2) end the unjustified practice of excluding these bones and joints from coverage while at the same time providing coverage for other bones and joints; (3) provide Kansans who seek care for cranio-mandibular and temporo-mandibular dysfunction with coverage equivalent to what they would receive if similar treatment were provided for any other bone or joint.

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LEGISLATIVE PROPOSAL
EQUALITY OF COVERAGE REQUIREMENT

AN ACT concerning accident and health insurance; relating to the non-discriminatory coverage of skeletal joints.

BE IT ENACTED BY THE LEGISLATURE, *State of Kansas:*

Section 1. This Act applies to all individual or group accident and sickness insurance policies issued, delivered, renewed or amended by an insurance company, health maintenance organization, preferred provider organization, or self-insurance plan.

Section 2. No policy of accident and sickness insurance shall be delivered or issued for delivery to any person in this state unless it provides that the coverage provided for any diagnostic, therapeutic or surgical procedure involving a bone or joint of the skeletal structure may not exclude or deny the same coverage for the same diagnostic, therapeutic or surgical procedure involving any other bone or joint of the face, neck or head.

Section 3. This Act shall take effect and be in force from and after its publication in the statute book.

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SOCIAL and FINANCIAL IMPACT
LEGISLATIVE PROPOSAL
IMMUNIZATION REQUIREMENT

This social and financial impact statement conforms to the requirements of K.S.A. 40-2248 and provides the information required by K.S.A. 40-2249. Specifically, such statement accompanies and supports a legislative proposal which, if enacted, will make equal insurance coverage available for services provided for the bones and joints of the face, neck, and head in insurance policies covering the those same services for other bones and joints of the human body.

Since this proposal may be viewed as imposing a requirement on the content of health insurance policies, it could be seen as falling within the traditional definition of a statutory mandate and might, therefore, be subject to the provisions of the aforementioned statutes. It should be noted, however, that this so-called mandate is not directed toward the treatment of a particular disease or illness, nor does it require any coverage whatsoever. Rather, it is directed toward providing whatever coverage is available under a given insurance policy for any bone or joint on an equal basis to the bones and joints of the face, neck and head.

SOCIAL IMPACT;

K.S.A. 40-2249 (a)(1) The extent to which the treatment or service is generally utilized by a significant portion of the population

As discussed in the professional literature, the temporo-mandibular and cranio-mandibular dysfunction includes a group of distinct pain and dysfunction conditions. Commonly used signs and symptoms of TMD/CMD disorders include: limited range of mandibular movement, masticatory muscular pain, joint pain, audible clicking of the joint, pain when the joint is moved, and deviation on opening. (Rugh and Solber, Journal of Dental Education, Vol. 49, No. 6, 1985)

Various studies over the years have attempted to gauge the percentage of a given population that is experiencing one or more of the above symptoms severely enough to lead to some type of treatment. That percentage varies by study from three to seven percent, with 5 percent given as a generally accepted estimate. (Rugh and Solber)

A more recent study found that seven percent of a representative sampling of the Swedish population exhibited a moderate degree of dysfunction, while the incidence of severe dysfunction was extremely low -- less than one percent. The study notes that its prevalence data cannot be directly translated into the percentage of the population at large that will seek treatment. The question remains open as to why some persons with TMD/CMD symptoms become patients and others do not. (Salonen et al., Journal of Craniomandibular Disorders: Facial and Oral Pain, Vol. 4, No. 4, 1990)

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A study of the prevalence of TMD/CMD symptoms among nursing students published in the Journal of the American Dental Association highlights the vast difference between the percentage of the population with TMD/CMD symptoms and the percentage who seek treatment.

The study found that six percent of the subjects had symptoms severe enough to possibly warrant treatment. However, only 6.7 percent of the individuals with moderate or severe symptoms had ever sought treatment. (Schiffman et al., Journal of the American Dental Association, Vol. 120, March 1990)

The professional literature, therefore, provides the conclusion that approximately three to seven percent of the population has moderate to severe symptoms of TMD/CMD. Only a very small percentage of those people ever seek treatment for their symptoms.

K.S.A. 40-2249 (a)(2) The extent to which such insurance coverage is already generally available.

With the able assistance of the Kansas Insurance Department, health insurers doing business in Kansas were queried as to their coverage of the bones and joints of the face, neck and head. The survey was conducted over the Summer and Fall of 1992. The following companies responded and supplied their coverage:

Benefit Trust Life, Lake Forest, Illinois
Coverage is provided as a medical benefit and is limited to medically necessary surgery and expenses related to the surgery.

Blue Cross Blue Shield of Kansas, Topeka, Kansas
HMO Kansas does not provide medical coverage for TMD/CMD. The Blue Cross Blue Shield medical plan provides limited coverage if the insured also has Blue Cross Blue Shield dental coverage.

Blue Cross and Blue Shield of Kansas City, Missouri
Medically necessary surgical treatment is provided.

Cigna Healthplan of Kansas/Missouri, Inc., Wichita, Kansas
TMD/CMD is specifically excluded from coverage.

Golden Rule Insurance Company, Indianapolis, Indiana
Medically necessary surgical treatment is covered.

Humana Health Care Plans, Kansas City, Missouri
Some medically necessary treatment is covered.

John Alden Life Insurance Company, Miami, Florida
Coverage for the treatment of joint and muscle is provided.

Kaiser Permanente Health Plan of Kansas City, Inc., Overland Park
Medically necessary diagnostic services and surgery are covered under specified circumstances.

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Mutual of Omaha Companies, Omaha, Nebraska

Standard group policy excludes TMD/CMD, but offers optional rider. Standard individual policy provides limited benefits for medically necessary treatment.

Principal Mutual Life Insurance Company, Des Moines, Iowa

Coverage is provided under dental, not medical, policy and is limited to dentally necessary procedures.

The Prudential Insurance Company of America, Roseland, New Jersey

TMD/CMD is covered on the same basis as any other bodily joint dysfunction under the major medical insurance and HMO contracts as medically necessary.

Time Insurance Company, Milwaukee, Wisconsin

TMD/CMD is covered up to a lifetime maximum of $1,000 per insured.

K.S.A. 40-2249 (a) (3) If coverage is not generally available the extent to which the lack of coverage results in persons being unable to obtain necessary health care treatment

It is difficult to contend that the exclusions, restrictions and other stipulations that apply uniquely to the bones and joints of the face, neck, and head result in persons being unable to obtain the care they need for their conditions. Insured persons who are denied coverage under their insurance policy for TMD/CMD may obtain care and pay out-of-pocket. Insured persons who are unable to pay for their course of care out-of-pocket may forego treatment or opt for less that optimal treatment.

The problem lies in the fact that patients are unfairly denied coverage for conditions that would be covered if they occurred in any other bone or joint of the body.

K.S.A. 40-2249 (a) (4) If the coverage is not generally available, the extent to which the lack of coverage results in unreasonable financial hardship on those persons needing treatment

As stated above, the lack of general availability of coverage for treatment of TMD/CMD places individuals in the position of having to pay out-of-pocket for services that would be covered if the very same services were provided to diagnose or treat ailments of other bones and joints.

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K.S.A. 40-2249 (a) (5) The level of public demand for the treatment of service

As indicated in the discussion of K.S.A. 40-2249 (a) (1), the professional literature provides the conclusion that approximately three to seven percent of the population has moderate to severe symptoms of TMD/CMD. Only a very small percentage of those people -- 6.7 percent with moderate to severe symptoms -- ever seek treatment.

K.S.A. 40-2249 (a) (6) The level of public demand for individual or group insurance coverage of the treatment or service

Public demand for individual and group insurance coverage for TMD/CMD is quite strong among those patients who have experienced symptoms, sought treatment, and later learned that treatment for their condition is either excluded from coverage or coverage is severely limited.

As we have seen, the proportion of the population that seeks treatment for TMD/CMD is extremely small -- about one percent of the three to seven percent of the population that experiences moderate to severe symptoms. While the number of individuals affected by the lack of coverage is small, the issue is one of equity and it is of great importance to them.

K.S.A. 40-2249 (a) (7) The level of interest of collective bargaining organizations in negotiating privately for inclusion of this coverage in group contracts

Information regarding this topic is unavailable but it can be presumed that broadening coverage to provide needed treatment of a medical condition at a negligible increase in cost would be acceptable.

K.S.A. 40-2249 (a) (8) The impact of indirect costs which are costs other than premiums and administrative costs, on the question of the costs and benefits of coverage

Providing coverage for services to diagnose and treat temporo-mandibular dysfunction and cranio-mandibular dysfunction on an even basis with the services that are covered for other bones and joints of the human body does not have indirect costs that have been identified.

It should be pointed out, however, that indirect savings can be shown from the experience in Minnesota, a state that has had this type of legislation in place for nearly ten years. In one study, the total cost of treating TMD/CMD cases in an HMO setting dropped 13.8 percent in the two years following the passage of the legislation as compared with the years before the legislation, even with an increase in the number of patients receiving treatment.

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The reduction in total cost is attributed to patients' receiving care at an earlier stage in the development of the problem, when care is simpler and less extensive. As a result, there was less need for surgery and complex treatment plans. (Journal of Craniomandibular Disorders: Facial and Oral Pain, Volume 5, Number 1, November 1, 1991)

FINANCIAL IMPACT;

K.S.A. 40-2249 (b) (1) The extent to which insurance coverage of the kind proposed would increase or decrease the cost of the treatment or service

As shown in the section above, there is strong evidence to suggest that early treatment of CMD/TMD reduces the cost of treatment. As with most, if not all, disease processes, early detection enables the patient to receive treatment when the treatment is most effective and the least expensive. With insurance coverage for diagnosis and treatment, patients will have an incentive to seek care when the symptoms first develop.

Without insurance coverage for the bones and joints of the face, neck and head, patients most likely defer treatment until the problem substantially impairs their daily activities before seeking treatment. At that point, the disease process may be so advanced that relatively extensive and expensive treatment is the only option.

In the Minnesota example, the research showed that the total cost of TMD/CMD services dropped significantly following the passage of the legislation in that state. The reduction in costs was attributed to coverage of services for TMD/CMD, which encouraged early detection and treatment.

K.S.A. 40-2249 (b) (2) The extent to which the proposed coverage might increase the use of the treatment or service

The research indicates that in Minnesota utilization of services for TMD/CMD increased; at the same time, the total cost of providing services decreased. Those two seemingly contradictory statements are explained by the fact that early detection and treatment are extremely cost effective. The total number of individuals seeking care in the Minnesota example increased 338 percent. Yet the total cost of providing the TMD/CMD services decreased 13.8 percent. Patients in the early stages of the disease process were provided with conservative, non-surgical treatment, where only expensive surgical treatment in the late stages of the disease process had previously been available.

While the availability of coverage will most likely increase utilization, the increased utilization will be primarily by people seeking early detection and treatment, much as they do for diseases of the other bones and joints of the human body.

K.S.A. 40-2249 (b) (3) the extent to which the mandated treatment or service might serve as an alternative for more expensive treatment or service

As discussed above, there is ample evidence that early detection and treatment of TMD/CMD will provide insureds with an incentive to seek care at the earliest stages of the disease when the treatment is the most conservative and least expensive. As a result, treatment can be non-surgical rather than surgical, which can be much more expensive.

K.S.A. 40-2249 (b) (4) The extent to which insurance coverage of the health care service or provider can be reasonably expected to increase or decrease the insurance premium and administrative expenses of policyholders

With the assistance of the Kansas Insurance Department, health insurers were surveyed as to the coverage provided for services related to TMD/CMD (this information is provided in an earlier section of this report) and the additional cost of providing services for TMD/CMD on the same basis as the coverage provided for any other bone or joint of the human body. The cost information follows:

Benefit Trust Life, Lake Forest, Illinois
Cost expressed as percentage of premium.

Blue Cross Blue Shield of Kansas, Topeka, Kansas
HMO Kansas does not provide medical coverage for TMD/CMD. If this legislation were passed, the company estimates monthly costs of coverage would be $.48 for singles and $1.05 for families. Blue Cross Blue Shield medical plan, which provides limited coverage for insureds who also have dental coverage, estimates that non-discriminatory coverage of the type proposed by this legislation would cost $.30 per month for individuals and $.66 per month for families.

Blue Cross and Blue Shield of Kansas City, Kansas City, Missouri
Medically necessary surgical treatment is provided. The company estimates that coverage proposed by this legislation would add $.38 per month for singles and .76 per month for family contracts.

Cigna Healthplan of Kansas/Missouri, Inc., Wichita, Kansas
TMD/CMD has no utilization information for an estimate.

Golden Rule Insurance Company, Indianapolis, Indiana
Medically necessary surgical treatment is covered. The company estimates that this would add $1.55 per month per insured in premium.

Humana Health Care Plans, Kansas City, Missouri
Some medically necessary treatment is covered. Humana estimates this legislation would add $.41 per month per insured.

John Alden Life Insurance Company, Miami, Florida
Coverage for the treatment of joint and muscle is provided and represents approximately .06 percent of the current premium.

Kaiser Permanente Health Plan of Kansas City, Inc., Overland Park

Medically necessary diagnostic services and surgery are covered under specified circumstances. Non-discriminatory treatment of TMD/CMD would cost an additional $.31 per subscriber.

Mutual of Omaha Companies, Omaha, Nebraska

Standard group policy excludes TMD/CMD, but offers optional rider. Standard individual policy provides limited benefits for medically necessary treatment. This legislation is estimated to add $2.50 per employee and $3.15 per family (time period not specified).

Principal Mutual Life Insurance Company, Des Moines, Iowa

Coverage is provided under dental, not medical, policy and is limited to dentally necessary procedures. No cost data is provided.

The Prudential Insurance Company of America, Roseland, New Jersey

TMD/CMD is covered on the same basis as any other bodily joint dysfunction under the major medical insurance and HMO contracts as medically necessary. Cost estimates are not available.

Time Insurance Company, Milwaukee, Wisconsin

TMD/CMD is covered up to a lifetime maximum of $1,000 per insured with certain exclusions and limitations. The current coverage costs an estimated $.30 per insured per month. Non-discriminatory legislation would double that cost to $.60 per insured per month.

K.S.A. 40-2249 (b) (5) The impact of this coverage on the total cost of health care

The cost impact of legislation to require equal treatment for the bones and joints of the face, neck and head as compared with the treatment provided to the other bones and joints of the human body would be marginal.

One of the state's largest providers of accident and sickness insurance estimates that the cost of providing non-discriminatory treatment of CMD/TMD would be $.30 per month for individuals and $.66 per month for family coverage.

That cost has an offsetting benefit. In exchange for a marginal increase in premium, insureds will have an incentive to seek early detection and treatment. As we see in the Minnesota example, treating CMD/TMD early in the process drives down the total cost of care even in the face of increased utilization.

In other words, requiring fair and equitable treatment for the insured population, for a disease that most Kansans would assume is already covered by their health insurance, will most likely save the public and the insurers far more than the cost of providing the coverage.

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Testimony before the Senate Financial Institutions and Insurance Committee
Taylor Markle, D.D.S.
February 5, 1996

Mr. Chairman and members of the Committee, I am Taylor L. Markle, Chairman of the Legislative Committee of the Kansas Dental Association. I am a practicing oral and maxillofacial surgeon in the Kansas City and Shawnee areas.

I appreciate this opportunity to give testimony for the importance of passing legislation to help patients who suffer from Temporomandibular Joint Dysfunction (TMD) and Craniomandibular Dysfunction (CMD). TMD or jaw joint disorders may affect as many as 10 million Americans over 18 years of age, occurring more often among women than men.

There are two types of jaw disorders:

1. The first disorder rises from the disease associated with the joint, (osteoarthritis, rheumatoid arthritis, and traumatic injuries) and tumors.

2. The second arises from soft tissues, blood vessels, nerves, tendons and muscles. Many of these individuals suffer pain, limitation of motion and other defects in the head, face and neck as a result of these disorders of the jaw bone and joint. Both types of these jaw joint disorders are conditions that are similar to problems that affect other body joints, like the knee and shoulder.

Most of these patients can be treated and rehabilitated through a combination of rest, medication, physical therapy. Similar to treatment of a leg problem that can be treated with rest medication, physical therapy and a cane or crutch. Patients with a disease within the jaw joint cannot be treated without surgical intervention.

This legislation prohibits insurance carriers from unfair denials or exclusions of TMD/CMD simply due to the location of the joint. The jaw joint is the same type of joint as other joints in the body. It suffers the same indignities of disease as the other body joints and its treatment should not be arbitrarily and unfairly denied.

Existing policy exclusions based on anatomical location were written decades ago before present diagnostic medical and surgical techniques confirmed many conditions occurring in the head, face, mouth and jaws are similar to conditions in other places in the

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2/5/96
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body. Structures in the head and neck region are susceptible to the same disease process as the rest of the body. There are no diseases that are unique to this area of the body.

Insurance companies currently pay for the treatment of arthritis, disc hernation, congenital musculoskeletal deformities and anatomical abnormalities, excluding certain body parts from coverage. At the time these exclusions were introduced it was because of the experimental nature of the surgery. These exclusion prevent patients from receiving the care they need in the form of procedures that are 10, 20 and even 30 years old. These well documented procedures can no longer be thought of as experimental.

Elimination of anatomical discrimination from insurance policies will create a level playing field for all insurers and insureds. The cost of adding these benefits to insurance policies is minimal.

This bill simply removes prejudicial,unscientific and arbitrary non-medical exclusion from health insurance and restores fairness for the public.

Thank you again for your consideration.

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Kirk Collier, D.D.S.
President
Kansas Society of Oral and Maxillofacial Surgeons
S.B. 483
February 5, 1996

Mr. Chairman and members of the Committee, I am Kirk Collier. I am the President of the Kansas Society of Oral and Maxillofacial Surgery. I appreciate having the opportunity to share with you my experiences with patients who suffer from jaw disorders.

I have attached a letter from one of my patients which is representative of the frustrations of many patients who have faced the unfair practice of denying benefit coverage by insurance companies.

Insurance companies currently provide coverage for diagnosis and treatment of many conditions that occur to all joints. Unfortunately, they unfairly and arbitrary choose not to cover diseases that occur in the jaw even though the jaw joint suffers from the same problems as any other joint of the body.

It is unfair to deny coverage of treatment for jaw ailments just as it would be unfair and arbitrary to deny coverage for removal of tumors, cancers, and fractures.

Coverage for the treatment of disorders of other joints and bones of the body is based on the fact that they meet the "medical necessity" criteria such as pain, limitation of movement, or disruption of function. These are exactly the same criteria for treatment of disorders of the jaw joint. In other words, they meet the same requirements of "medical necessity".

Many of the patients we see for these problems have already seen multiple medical specialties including primary care physicians, ENT physicians, and neurologists. Most have had expensive tests that often have been paid for by insurance. They are then diagnosed with TMD. You can imagine the frustration of the patient or parent of the patient who is then finally referred to an oral surgeon or other dentists who can actually do something to help their problem only to have coverage denied.

We ask your help in joining more than a dozen other states that have passed similar legislation to stop arbitrary and unfair denials for jaw disorders.

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To whom it may concern: January 16, 1996

We write to express our frustration with what we consider to be an unfair and discriminatory insurance practice which affected our family personally. Our daughter was diagnosed by two different orthodontists as having a prognathic jaw. This condition requires surgical correction in addition to braces. In researching our options, we consulted two different oral surgeons, both of whom reiterated the diagnosis and recommended orthognathic surgery on her lower jaw.

Our decision to proceed with correction was based upon the following:

1.) Our daughter suffered severe discomfort from the involuntary popping of her jaw.

2.) Our daughter was unconsciously grinding and gnashing her teeth due to their misalignment. Not only was this very LOUD, but it was also very damaging.

3.) This hereditary condition was present in Sarah's grandmother, causing her to lose her teeth and require full dentures in her early 40's.

4.) There was no doubt that our daughter's jaw pain would only increase in future years.

Pictures of our daughter would confirm that this was not a cosmetically motivated surgery! Nonetheless, we were told by our insurance company that they would not cover this procedure. (Other companies and even other carriers of the same name do provide coverage.) Our daughter's condition was of serious concern to us. So much so, that we chose to proceed with this major surgery and pay for it ourselves.

We feel this procedure has been misjudged by some insurance companies to be voluntary and cosmetic. Because of that misguided judgment, those of us who pay for our insurance are victims of an insurance loophole. The protection we purchase is not delivered.

Please give this your full consideration!

Sincerely,

Mina and Lance Steen

Mina and Lance Steen
6529 High Drive
S.M., Ks. 66208

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2/5/96
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DRS. HAMILTON and HAMILTON, P.A.
Orthodontics, Orthopedics and TMJ for Adults and Children

RICHARD H. HAMILTON, D.D.S. SCOTT D. HAMILTON, D.D.S.-M.S.D. DON C. WILSON, D.D.S.
Diplomate of the American Board of Orthodontics

As a practicing orthodontist who treats many patients with temporomandibular joint disorders, and as a past president of several local, state and regional dental organizations, I have many concerns regarding insurance coverage of temporomandibular joint problems.

It is important to realize that many disorders affect the the joints of the body and the temporomandibular joint is no exception. It is prone to arthritic problems, disc pathologies, and muscle related disorders. In fact, due to its amount of usage, range of motion, and lack of stability, TMJ problems are quite frequent as well as debilitating for its sufferers. It is not infrequent for patients to be unable to eat, speak, or chew as well as complain of headaches, dizziness and ringing in their ears.

In spite of its debilitating nature, 53% of the patients I treat for TMJ disorders have health insurance which denies coverage of this condition. In addition, the majority of those who have coverage have severe limits on the policy, so a large portion of the treatment comes from out of pocket patient expenses. Approximately 49% of our patients are unable to seek treatment due to lack of insurance and inability to meet financial needs.

It is alarming that patients who suffer from TMJ disorders are discriminated against by many insurance carriers. The TMJ and its maladies should be covered as any other joint. Any joint condition which causes severe pain, lack of function, and disruption of lifestyle should be treated to allow its sufferers to resume a normal life.

Scott D. Hamilton D.D.S.- M.S.D.

Senate 7141
2/15/96
Attachment #7

2235 SW Westport Drive
Topeka, KS 66614-1945
(913) 272-3722
Fax (913) 272-4718

Kathleen Sebelius
Commissioner of Insurance
Kansas Insurance Department

MEMORANDUM

To: Senate Financial Institutions
and Insurance Committee

From: Tom Wilder, Director of
of Government and Public Affairs

Re: S.B. 483 (Coverage for Treatment of
Diseases of Bones and Joints)

Date: February 5, 1996

The Kansas Department of Insurance supports S.B. 483 which would require insurance companies and health maintenance organizations to provide coverage for medical procedures involving bones and joints of the head on the same basis as treatments for bones and joints of the body. Most health insurance policies exclude or place dollar limits on coverage for the treatment of craniomandibular and temporomandibular joint disorders ("CMD/TMJ"). A copy of the results of a 1992 survey done by the Insurance Department concerning coverage for CMD/TMJ is attached to my testimony.

The Insurance Department views this issue not as an additional mandate, but rather as a matter of fairness. If an insurance policy excludes or limits coverage for a treatment of CMD/TMJ when procedures for other bones and joints are fully covered, there should be some non-discriminatory reason for the difference in how these two treatments are reimbursed. The Kansas Insurance Department is not aware of any statistical data which would show that medical providers "over prescribe" treatments for CMD/TMJ.

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420 SW 9th Street
Topeka, Kansas 66612-1678

913 296-3071
Fax 913 296-2283

Consumer Assistance Hotline
1 800 432-2484 (Toll Free)

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The Kansas Insurance Department asks the Committee to approve the provisions of S.B. 483 with two changes. First, the legislation is applied to "self-insured" health care plans. As you are aware, these health care plans are subject to federal, not state, regulation and this provision should be deleted. In addition, the Committee should put language in the bill that the new law will be effective for new policies or for policy renewals which are entered into after the effective date of the bill.

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Senate Bill No. 483
Temporomandibular and Craniomandibular Joint Disorders

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#3

COMPANY NAME:	MEDICAL	DENTAL	COMMENTS
CIGNA	Excluded	Excluded	
BENEFIT TRUST LIFE (INDIVIDUAL)	Limited coverage	N/A	Medically necessary surgery & expenses related to the surgery
BENEFIT TRUST LIFE (GROUP)	Corvered	Covered	Paid as any other medical or dental condition
HUMANA HEALTH CARE PLANS	Covered	Excluded	Appliances not covered
HUMANA	Excluded	Excluded	* See Attached
BLUE CROSS/BLUE SHIELD OF KANSAS	Limited Coverage	N/A	** See Attached
HMO KANSAS	Excluded	N/A	
BLUE CROSS/BLUE SHIELD OF K.C.	Limited Coverage	Excluded	Medically necessary Surgical treatment of condition
DELTA DENTAL	N/A	At the request of the employer	
JOHN ALDEN LIFE INSURANCE COMPANY	Covered	Covered	No orthodontia
MUTUAL OF OMAHA (INDIVIDUAL)	Limited Coverage	Limited Coverage	Medically Necessary for Medical and Surgery only for Dental
MUTUAL OF OMAHA (GROUP)	Opt. TMJ Rider	Limited Coverage	50% coverage up to $2,000.00 maximum for dental
PRUDENTIAL	Limited Coverage	Covered	*** See Attached
PRUDENTIAL (DENTAL MAINTENANCE ORG.)	Excluded	Excluded	
TIME	Limited Coverage		**** See Attached
THE PRINCIPAL	Excluded	Limited Coverage	Dentally Necessary Procedures. Only listed in the Dental Plan
GOLDEN RULE	Limited Coverage	N/A	Surgical treatment of condition
KAISER PERMANENTE	Covered	Excluded	result of trauma, primary medical disease in the joint or the
			member is experiencing a significant functional problem.
*** Results based on 1992 Survey***			

u:/jb/word

Senate Bill No. 483
Temporomandibular and Craniomandibular Joint Disorder

* HUMANA- exclusion:

Services and supplies for dental services, treatment of teeth or periodontium or occlusive realignment of the mandible or maxilla, or oral surgery, unless (a) the services are required due to the surgical removal of a tumor or lesions in the mouth, or (b) the services are received in connection with an injury to sound natural teeth or jaw sustained while the person is covered by the Group Policy we will cover: (a) hospital room and board or medically necessary services and supplies provided while hospital confined; and (b) a physician's services in performing a surgical procedure. For an injury, the care and treatment must be provided within the 12 month period beginning on the date of the injury. Also, the member must remain covered under the Group Policy during the 12 month period while the care and treatment is being received.

** BLUE CROSS BLUE SHIELD OF KANSAS-limitations:

Non-surgical Initial Treatment Procedures Limited to: $1,000.00 per course of treatment. No further benefits will be provided until five years have passed from the last service in the prior course of treatment. If benefits from the initial course of treatment were less then $1,000.00, the unused amount does not carry forward to the subsequent course of treatment.

***PRUDENTIAL- coverage

Coverage for CMD/TMJ conditions is limited to services which are medically necessary, whether they are provided by a dentist, a medical doctor, or any licensed practitioner of the healing arts acting within the scope of his/her license. Eligible charges include: symptomatic relief approaches (e.g. , physical therapy, thermal agents, biofeedback training, analgesics); and temporary appliances which do not permanently change the patient's dentition (e.g., joint-stabilizing splints, bite blocks and plates which do not move the teeth). Surgical procedures used to treat CMD/TMJ are also eligible. Excluded are those charges which are clearly dental in nature: dentures; crowns; orthodontia; and occlusal adjustment performed to alter occlusion in order to maintain the patient in a stable and asymptomatic condition. (This exclusion applies to dental charges for any condition, not only CMD/TMJ conditions.)

****TIME INSURANCE COMPANY-coverage

Coverage is provided for the surgical treatment of TMJ or CMJ provided the charges are for services included in our dental premium plan authorized by Time prior to surgery, cover charges incurred for non-surgical treatment of TMJ or CMJ are limited to a) diagnostic examinations; b) diagnostic x-rays: c0 injection of muscular relaxants; d0 diathermy therapy; and g) ultrasound therapy. Not included are charges for anything not with surpal, including but not limit to: a- any appliance or the adjustment of any appliance including orthodontics; b0 any electronic diagnostic modalities; c0 occlusal analysis; and d0 muscle testing. The lifetime maximum amount we will pay for surgical and non-surgical treatment combined to $1000.00 per covered person.

BRAD SMOOT
ATTORNEY AT LAW

EIGHTH & JACKSON STREET
MERCANTILE BANK BUILDING
SUITE 808
TOPEKA, KANSAS 66612
(913) 233-0016
(913) 234-3687 FAX

10200 STATE LINE ROAD
SUITE 230
LEAWOOD, KANSAS 66206
(913) 649-6836

Testimony Of Brad Smoot, Legislative Counsel
Blue Cross Blue Shield Of Kansas
Regarding Senate Bill 483
Before
Senate Financial Institutions And Insurance Committee
February 5, 1996

I am Brad Smoot, legislative counsel for Blue Cross Blue Shield of Kansas, a domestic health insurer providing coverage for more than 700,000 Kansans in 103 counties of the state. Thank you for this opportunity to express our opposition to S 483, which would mandate health insurance coverage for Tempromandibular Joint Dysfunction Syndrome, commonly known as "TMJ."

BCBS generally opposes state mandated health care benefits for three reasons: 1) Mandates tend to increase the utilization of services and correspondingly the premium costs to employers and individuals who purchase health insurance coverage; 2) mandates limit the ability of insurance buyers to choose their own coverage priorities; and 3) mandates have uneven impact on the public. Medicaid and Medicare populations as well as the uninsured are not affected. And despite the language of this bill (line 16), under ERISA, self-insured plans cannot be forced to comply.

More specifically, we oppose the TMJ mandate because it is one of the most difficult health care cost items to control. For years we have offered a TMJ rider. Along with an optional dental package, our major medical policy with the TMJ rider would cover many services covered under the proposed TMJ mandate. However, not all employers or employees are willing to pay the additional costs for the TMJ rider or the dental coverage. In other words, when given a choice, groups and individuals do not always choose to pay the extra costs of this coverage; choosing instead to pay for such services as a personal expense. For example, the Kansas Employees Health Care Commission recently eliminated the TMJ rider previously provided to state employees.

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Finally, my information indicates that only eleven (11) states have opted for a TMJ mandate. I do not know the scope of coverage required or the impact on insurance premiums in those states, but it is our belief that controlling insurance costs for TMJ under the open-ended mandate proposed in S 483 could be difficult. I hope the Committee will scrutinize the fiscal impact report required for this bill under K.S.A. 40-2248, et seq.

Dr. Paul Boatwright, D.D.S., M.S., who consults for BCBS on TMJ cases, is here to address the Committee and provide a medical professional's view of the impact of this mandate. Dr. Boatwright has been practicing dentistry and orthodontia for more than forty years and we hope can be a useful resource to this Committee.

Thank you and I would be pleased to respond to your questions.

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2/5/96
9-2

TO: Senate Committee on Financial Institutions & Insurance
FROM: Paul L. Boatwright, D.D.S., M.S.

February 5, 1996

Re: Senate Bill 483 - Coverage of bones & joints of face, neck and head.

The proposal to include the Temporomandibular Joint(s) in general treatment considerations with all other joints raises several concerns.

The Temporomandibular Joints are unique to the rest of the joints in the body. The two joints are synergistic i.e. when one functions, the other does also, making this an extremely complicated articular system. Not always, but a large number of cases are triggered by the manner in which the upper and lower teeth occlude.

It has been my experience as an orthodontist and consultant that this is an extremely difficult area of health care.

Good diagnostic procedures are naturally a cornerstone of a treatment plan for any health problem, but I cannot think of a problem that requires any more detailed and painstaking approach than a case involving TMJ symptoms.

Some insurance coverage for these patients is desirable, but I believe this mandate is too broad and will encourage too many providers to provide too much treatment and add too much to health insurance costs.

Thank you for your time and any consideration this statement may receive.

Members American Association of Orthodontists

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2/5/96
Attachment #10

HEALTHNET

To: Senate Committee on Financial Institutions and Insurance

From: Cheryl Dillard, Public Affairs Director

Date: February 5, 1996

Re: Senate Bill 483 - Coverage of bones and joints of the face, neck, and head

Mr. Chairman, members of the Committee, thank you for the opportunity to appear before you today in opposition to SB 483. HealthNet is the largest managed care organization in the metro KC area serving 400,000 members through a variety of plans.

While this benefit expansion contained in SB 483 may be legitimate for dental insurance policies, it is certainly not being requested by our health benefits customers and is not an appropriate mandate for accident and sickness policies. HealthNet's HMO, HealthNet Excel, covers care for accidental injury to the face, neck, and head and other medically necessary surgery and therapeutic treatment. We do not cover dental services or oral surgery, believing that those benefits are best handled by dental insurers. It would seem appropriate that an impact study be conducted to ensure the appropriateness of this benefit mandate.

In addition, I know this Committee needs no reminder that this benefit mandate, if enacted, would affect only the fully insured plans and not the benefit packages of self-insurers. Any premium increases resulting from this mandate would again be borne by only our customers, possibly encouraging them to self-insure or drop coverage altogether.

I would be happy to answer any questions.

Senate 4-14-1
2/5/96
Attachment #11

Two Pershing Square, 2300 Main Street, Suite 700, Kansas City, Missouri 64108 (816) 221-8400; Fax (816) 221-7709

MEMORANDUM

TO: The Honorable Dick Bond, Chairman
Senate Financial Institutions and Insurance Committee

FROM: William W. Sneed, Legislative Counsel
Health Insurance Association of America

DATE: February 5, 1996

RE: S.B. 483

Mr. Chairman and Members of the Committee: My name is Bill Sneed and I represent the Health Insurance Association of America (HIAA). The HIAA is a health insurance trade association consisting of more than 300 insurance companies that write over 80% of the commercial health insurance in the United States today. We appreciate the opportunity to address our concerns in regard to S.B. 483, which would mandate coverage for any procedure involving bones or joints of the face, neck or head, most notably those of the jaw.

The sponsor of this bill has indicated that it is designed to require insurance plans to offer coverage for tempo-mandibular dysfunction (TMD) and cranio-mandibular dysfunction (CMD). The fact is that insurance companies cover certain types of treatment for these disorders. The question is to what extent are certain treatment procedures covered by certain insurance companies.

First, there is a lack of generally accepted diagnosis or treatment protocols on which insurers can base their TMD claims and payment practices. The number of treatment options is great, surpassed only by reported cases of treatment failure in some instances. The insurance industry is aware of difficulties and controversies involving TMD treatment. Mandating coverage for treatment in this area thus becomes problematic when there are conflicting opinions and theories of what constitutes effective and acceptable treatment of TMD or CMD.

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Given the fact that there are numerous treatment modalities for the treatment of TMD and CMD, an insurer would be required to provide benefits which were not intended in a specific benefit program. Treatment modalities such as crowning of teeth and the use of bite-altering appliances, which are commonly employed to treat TMD, would normally be covered under a dental plan. Periodontal treatment may also be necessary, as well as other restorative services performed by a dentist. Thus, if a benefit plan does not include traditional dental coverage, this legislation would mandate coverage for dental procedures on a traditional health insurance plan.

We would like to emphasize that HIAA is opposed to any form of mandatory coverage for any procedure. State-mandated benefits drive up costs, which ultimately limits access to quality care. Further, 60% of the insured public is covered by ERISA plans not affected by state law. This means that this legislation only affects 40% of Kansas insureds. This same 40% will shoulder the higher costs resulting from the mandated coverage outlined in this bill. Higher costs also drive employers to drop medical coverage completely or significantly reduce benefits to compensate for the high cost of mandated benefits.

Finally, coverage for these types of procedures is currently available to consumers. Employers, not health insurance companies, choose which plans cover their employees. We are not aware of a void of health insurance product choices available to meet consumer needs in this area.

Government mandate of particular types of health insurance coverage must be approached with caution and avoided if at all possible. For the reasons stated above, we respectfully request your disfavorable action on S.B. 483.

Respectfully submitted,

William W. Sneed

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Session of 1996

SENATE BILL No. 483

By Committee on Financial Institutions and Insurance

1-17

AN ACT concerning insurance; coverage of bones and joints of face, neck and head.

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

Section 1. This act applies to all individual or group accident and sickness insurance policies issued, delivered, renewed or amended by an insurance company, health maintenance organization, preferred provider organization or self-insurance plan. This act does not apply to dental insurance policies.

Sec. 2. No policy of accident and sickness insurance shall be delivered or issued for delivery to any person in this state unless it provides that the coverage provided for any diagnostic, therapeutic or surgical procedure involving a bone or joint of the skeletal structure may not exclude or deny the same coverage for the same diagnostic, therapeutic or surgical procedure involving any other bone or joint of the face, neck or head.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

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2/5/96
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