

Approved: 1/28/98  
Date

MINUTES OF THE Senate Committee on Financial Institutions and Insurance.

The meeting was called to order by Chairperson Don Steffes at 9:00 a.m. on January 21, 1998 in Room 529-S of the Capitol.

All members were present except: Senator Becker, Excused

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

Conferees appearing before the committee: Jerry Slaughter, Kansas Medical Society

Others attending: See attached list

**Hearing on SB 423: Concerning certain employees of the Health Care Stabilization Fund**

Jerry Slaughter, Kansas Medical Society, explained that this bill would amend current law to clarify personnel issues regarding the Health Care Stabilization Fund Board of Governors (Attachment 1). Current law is not clear as to whether unclassified personnel salaries of the agency are subject to the approval of the Governor. This bill would give the Board of Governors the authority to appoint and set the salaries of the agency's unclassified employees. These salaries would not be subject to the approval of the Governor. This has been a problem since the break from the Insurance Department in 1994. There are no planned salary increases, no additional FTE's, or new hiring of attorneys. There are internal staff attorneys but outside attorneys are hired when litigation is required. Usually the attorney who has been handling the case is hired by the Fund.

Senator Biggs moved that the bill be reported favorably. The motion was seconded by Senator Corbin. Motion carried.

Senator Feleciano moved for the approval of the Minutes of January 13, 14, and 15, 1998. The motion was seconded by Senator Clark. Motion carried.

The meeting adjourned at 9:35 a.m. The next meeting will be held on January 22, 1998.

SENATE FINANCIAL INSTITUTIONS & INSURANCE  
COMMITTEE GUEST LIST

DATE: Jan. 21, 1998

NAME	REPRESENTING
Meg Draper	Kansas Medical Society
Topic Trauske	Ks Co-Op Consulting
Matthew Goddard	HCBA
Kathryn Olsen	Ks Bankers Assn.
Susan Anderson	Hein + Weir
Bob Hayes	HCSF
Dawn Reed	KSNA
Kevin Down	Am Family Ins.
Rich Guthrie	Health Midwest
Chris Keshan	KTLA
David Hanson	Ks Insur. Assns
Rich Wilborn	Alliance Ins Co
Lois Callahan	KAMMCO
Chuck Stones	KBA



KANSAS MEDICAL SOCIETY

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January 21, 1998

TO: Senate Committee on Financial Institutions & Insurance

FROM: Jerry Slaughter  
Executive Director

SUBJECT: SB 423; concerning certain employees of the Health Care Stabilization Fund

The Kansas Medical Society appreciates the opportunity to appear today in support of SB 423, which was introduced by this committee last week.

The bill makes only one change in the law which governs the HCSF. When the legislature separated the Fund from the Insurance Commissioner's office a few years ago, the responsibility for setting salaries for unclassified positions was inadvertently not addressed. As a result, there has been confusion as to whether the Governor, the Insurance Commissioner or the Fund Board of Governors was responsible for these functions.

After discussions during the interim involving Senator Bond (who has been a member of the Health Care Stabilization Fund Oversight Committee since its inception), the Budget Office, the Governor's office, the Fund and others, it was determined that the best approach would be to clarify that the Fund had the responsibility, in the same manner as other unattached agencies of state government do. The Oversight Committee subsequently discussed the matter and requested introduction of SB 423. The bill makes it clear that the Fund Board of Governors, which is appointed by the Insurance Commissioner, is responsible for setting salaries for its unclassified employees, subject, of course, to legislative appropriations. Classified employees of the Fund are covered in the same manner as classified employees in all other agencies.

This bill corrects an earlier oversight, and should not be controversial. We encourage you to pass the bill favorably. We would be happy to answer any questions you might have. Thank you for your consideration.

*Senate Financial Insts  
& Ins.*

*Attachment 1*

*Jan. 21, 1998*