

Approved: Robert Tomlinson
Date Feb 4, 1999

MINUTES OF THE HOUSE COMMITTEE ON INSURANCE.

The meeting was called to order by Chairperson Rep. Bob Tomlinson at 3:30 p.m. on January 28, 1999 in Room 527-S of the Capitol.

All members were present except: Rep. Showalter and Rep. Burroughs

Committee staff present: Bill Wolff, Research
Bob Nugent, Revisor
Mary Best, Secretary

Conferees appearing before the committee: Linda DeCoursey, Kansas Department of Insurance

Others attending: See attached List

Chairman Tomlinson called the meeting to order.

HB 2088: Standards for refusal of health insurance conversion policy.

Linda DeCoursey of the Kansas Insurance Department, gave proponent's testimony to the committee. Written testimony was furnished to the committee and a copy of that testimony is (Attachment #1) attached hereto and incorporated into the Minutes by reference.

Ms. DeCoursey's testimony was to bring to the attention of the committee a technical change providing language to amend K.S.A. 40-2209, dealing in part with eligibility for health care coverage. The afore mentioned bill proposed to bring Kansas law into compliance with the Health Insurance Portability and Accountability Act. With the amendment the insured cannot be denied the right to convert his/her group life or group health insurance policy to an individual policy without a physical examination upon the time of the change. Discussion was closed after no further testimony was offered.

Rep. Grant made the motion to pass out HB-2088. Motion was seconded by Rep. Myers. Motion passed.

Meeting adjourned at 3:50 p.m.

Next meeting to be February 2, 1999

HOUSE INSURANCE COMMITTEE GUEST LIST

DATE: 1-28-99

NAME	REPRESENTING
Pat Morris	KATA
Inez Heim	SBA's
David Hanson	Ks Insur Assn
Kevin Davis	Am. Family Ins
Larrie Ann Brown	KATP
Brod Smoot	BCBS
Neresa Sitenauer	AmWesters
Danielle Noe	Governors Office
Paul Davis	Kansas Insurance Dept.
Linda De Coursey	" "
Lary Sisson	Kearney Law office
Nathy Damron	Prudential
Lori Callahan	Kammco
Steve Montgomery	United Health Care
Bret Landrith	FAIRNESS KANSAS
Gale Haag	S.F.M.O.
Steve Upright	Farmers Ins.
Rick Fredston	Kansas Association of Life Underwriters



Kathleen Sebelius
Commissioner of Insurance
Kansas Insurance Department

January 28, 1999

TO: House Committee on Insurance
FROM: Linda J. De Coursey, Director of Government Affairs
RE: H. B. 2088 – Standards for non-renewal of health insurance conversion policy

Mr. Chairman and members of the Committee:

Thank you for the opportunity to discuss with you H.B. 2088. The bill is purely technical in nature, and provides language to amend K.S.A. 40-2209, which, in part, deals with eligibility for health care coverage. H.B. 2088 proposes to bring current Kansas law into compliance with the Health Insurance Portability and Accountability Act (HIPAA).

The area we are discussing a conversion policy, which is the right of an insured to convert his or her group life or group health insurance to an individual policy without a physical examination to furnish evidence of insurability. Usually this is done within 31 days of termination of employment. The section of the law that is causing the problem is the renewal of a converted policy.

Currently in Kansas law, an insurer may refuse to renew a converted policy and the coverage of any person insured for the following reasons:

1. Benefits provided by the converted policy and other benefits provided in the act would result in over-insurance according to the insurer's standards on file with the commissioner, or the converted policyholder fails to provide the requested information;
2. Fraud or material misrepresentation in applying for any benefits under the converted policy;
3. Eligibility of the insured person for coverage under Medicare;
4. Other reasons approved by the commissioner of insurance.

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Attachment #1
1-28-99
House Insurance Dept. Comm.

1-2

HIPPA law says an individual policy can only be non-renewed under certain circumstances, and attaining Medicare eligibility is not one of those circumstances. Because a conversion policy is a type of individual policy, and our conversion law as it now reads, allows for non-renewal of a conversion policy if a person is eligible for coverage under Medicare, the language needs to be stricken.

We respectfully ask your favorable consideration of HB 2088.