

Approved: 2-19-01
Date

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson Sandy Praeger at 9:30 a.m. on February 13, 2001 in Room 234-N of the Capitol.

All members were present except:

Committee staff present: Dr. Bill Wolff, Kansas Legislative Research Department
Ken Wilke, Office of the Revisor of Statutes
JoAnn Bunten, Committee Secretary

Conferees appearing before the committee:

Kansas State Senator Lynn Jenkins
Kathleen Sebelius, Kansas Insurance Commissioner
Meg Stockton, Topeka Mother
Gary Brunk, Executive Director, Kansas Action for Children, Inc.
Melissa Ness, CEO and VP of Services and Advocacy, Kansas Children's Service League
Jim Redmon, Director of Prevention and Community Based Services, KCSL
Andy Sanchez, Executive Assistant, Kansas Association of Public Employees

Others attending: See attached list.

Hearing on: SB 151 - State employee health plans; removal of waiting period for child coverage

Kansas State Senator Lynn Jenkins, testified before the Committee in support of **SB 151** which would require employers participating in the state employees health benefit program to pay the full cost of covering employees' children who would be eligible for HealthWave benefits. Senator Jenkins pointed out that a small group of kids are not getting the health care they require due to a provision within the Federal Program that excludes families that have access to state employee insurance. This bill would provide health insurance to those children. (Attachment 1) During Committee discussion Senator Jenkins noted that Texas is one state that addressed this problem in their "SKIP" program as they saw the need to cover children of state employees. She suggested the Committee might want to consider this issue as a pilot project or have the state provide a portion of the cost for coverage of the child. Kansas currently contributes approximately 35% of the cost of dependent coverage or \$33.19 per employee.

Kathleen Sebelius, Kansas Insurance Commissioner, expressed her support for the bill. She stated that it is a well-known fact that access to health care coverage is crucial to the well-being of Kansas children. (Attachment 2)

Meg Stockton, Topeka Mother, told of the experience with her daughter who suffered from ear infections since birth. The Stocktons currently have no health insurance because they can't afford the extra \$250 per month that health insurance through either of their employers would cost. (Attachment 3)

Gary Brunk, Executive Director, Kansas Action for Children, Inc., (Attachment 4); Melissa Ness, CEO and VP of Services and Advocacy, Kansas Children's Service League, (Attachment 5); and Jim Redmon, Director of Prevention and Community Based Services, KCSL, expressed their support for the bill.

Andy Sanchez, Executive Assistant, Kansas Association of Public Employees, said that he has had a number of inquiries from both employees of the state for their own concern as well as for the concern of fellow employees about the unavailability of HealthWave, and urged the Committee's support for the bill. (Attachment 6)

During Committee discussion on the fiscal note of the bill, it was agreed upon that it would be difficult to determine the number of children who would benefit from **SB 151** because the number of eligible children of state employees is currently unknown. It was also suggested that a cap could be placed on expenditures for employees with children who would meet the income guidelines for HealthWave or the cost be subjected to tobacco settlement money.

CONTINUATION SHEET

There were no opponents to **SB 151**.

Action on SB 101 - Health Insurance; HIPAA technical changes

Senator Feleciano made a motion the Committee recommend SB 101 favorable for passage, seconded by Senator Corbin. The motion carried.

Action on SB 142 - Authorization of special orders by bank commissioner

Committee discussion on the bill, also known as the "wild card" authority of the bank commissioner, related to deletion of subsection (f) on page 2, lines 26 to 29, that defined "insured depository institution" or just striking the words "or a credit union" in that subsection.

Senator Teichman made a motion to strike the words "or a credit union" on page 2, line 27.

Senator Feleciano made a substitute motion that would add two new sections in the bill relating to savings and loans and credit unions having full parity with banks, seconded by Senator Corbin. The motion carried

Senator Feleciano made a motion that the Committee recommend SB 142 as amended favorable for passage, seconded by Senator Corbin. The motion carried.

Approval of Minutes

Senator Corbin made a motion to approve the Committee minutes of February 6, 7 and 8, seconded by Senator Feleciano. The motion carried.

Adjournment

The meeting was adjourned at 10:30 a.m. The next meeting of the Committee is scheduled for February 14, 2001.

SENATE FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE GUEST LIST

DATE: 2-13-01

NAME	REPRESENTING
Sharon Bolyard	SRS
Rick Pettibone	Health Midwest
Terrel Wright	Ks Dept of Credit Unions
Gail Kason	" " "
Ane Achmuler	KCUA
Anne Luedders	WDET
Jay Barnat	DyA
Harry Brown	DyA
Tom Bell	KHA
Susan Hannarr	Kansas Health Institute
Jim Redner	KCSL
Melissa Ness	Ks Children's Service League
Franklin W. Nelson	OSBC
Sonya Allen	"
Judi Stork	"
Kevin Barow	Hem/weir child
Brida DeCavassy	KF Ins Dept.

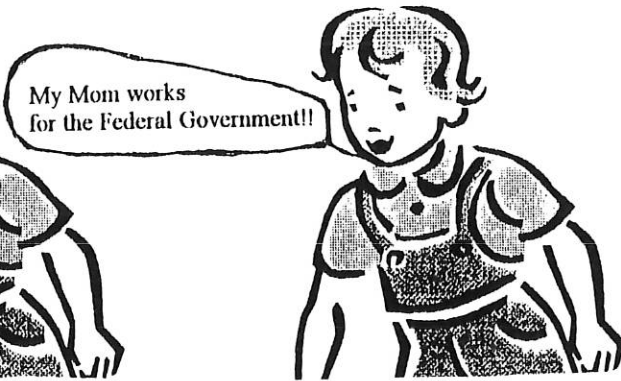
DATE: February 13, 2001

TO: Senate Financial Institutions and Insurance Committee

FROM: Lynn Jenkins

RE: SB # 151

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Senate Financial Inst. & Insurance
Date: 2-13-01
Attachment No. 1

LYNN JENKINS
 SENATOR, 20TH DISTRICT
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 TOPEKA, KANSAS 66610
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STATE CAPITOL, ROOM 460-E
 (785) 296-7374



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS
 VICE-CHAIR: ASSESSMENT AND TAXATION
 MEMBER: COMMERCE
 EDUCATION
 REAPPORTIONMENT
 LEGISLATIVE POST AUDIT
 JOINT COMMITTEE ON
 ECONOMIC DEVELOPMENT

Madam Chair and Members of the Committee:

Thank you for the opportunity to testify before you today in support of Senate Bill 151. The purpose of this proposed legislation is simply to provide health insurance coverage for children who qualify for HealthWave, but who are denied access because a parent is a public employee.

As you might know, HealthWave provides health insurance for Kansas children in families with limited incomes. Children receive coverage for office visits, checkups, shots, dental care, and other health care services. Many of the services provided are preventive in nature, thereby avoiding costly medical bills. Unfortunately, a small group of kids are not getting the health care they require, due to a provision within the Federal Program that excludes families that have access to state employee insurance. My belief is that this program was designed with the thought that each state should provide adequately for their own employees and families. However, it appears that Kansas is falling short of that.

When I contacted SRS, I found that 31 children had been denied access to the HealthWave program solely because they had a parent who was employed in the state system. These families otherwise meet the limited income and age requirements, but including their children in the state's plan was cost prohibitive. These children fall between the cracks.

SB 151 would provide health insurance to these children. It uses the current state health plan, limiting assistance to those that meet income and age requirements identical to HealthWave. I understand that we are having a difficult time identifying the potential cost of this proposal. I believe the question for you today is not, "What does it cost?" I have already begun working with some individuals on Appropriations and Ways and Means to identify dollars within the children's trust fund that can be used for this program. The question for you should simply be one of policy. Can you face a public employee and explain to him/her why their children are not afforded health care, when most other children in the state are? I cannot. I will be extremely disappointed if the State of Kansas turns its back on any child in need of health care. Therefore, I respectfully request that the Committee pass SB 151 out favorably.

CHILDREN NEED HEALTH INSURANCE
(Provided by the Children's Defense Fund Health Division)

Without health insurance, children are far less likely to get medical care when they are sick or injured.
 Compared with insured children, uninsured children are:

- Up to ten times less likely to have a regular health care provider;
- Four times more likely to delay seeking care when it is needed;
- Five times more likely to use the emergency room as a regular place of care; and
- Six times less likely to fill a prescription because of cost.

Children's Initiatives Fund (Tobacco)

Agency/Program	Approved FY 2001	Gov. Rec. FY 2002
Miscellaneous Programs		
Statewide Strategic Planning	0	--
Enhance Community Access Network catalog	70,000	70,000
Subtotal - Misc.	\$ 70,000	\$ 70,000
Department of Health and Environment		
Healthy Start/Home Visitor	250,000	250,000
Infants and Toddlers Program	500,000	500,000
Community Partnership Grants	0	--
Smoking Cessation/Prevention Program Grants	500,000	--
Subtotal - KDHE	\$ 1,250,000	\$ 750,000
Juvenile Justice Authority		
Juvenile Prevention Program Grants	5,000,000	6,000,000
Juvenile Graduated Sanctions Grants	2,000,000	2,000,000
Subtotal - JJA	\$ 7,000,000	\$ 8,000,000
Department of Social and Rehabilitation Services		
Children's Mental Health Initiative	1,800,000	1,800,000
Family Centered System of Care	5,000,000	5,000,000
HCBS Services for Mentally Retarded	0	--
HCBS Services for Physically Disabled	0	--
Best Children's Programs Practices Research	0	--
Therapeutic Preschool	1,000,000	1,000,000
Community Services - Child Welfare	2,600,000	2,600,000
Child Care Services	1,400,000	1,400,000
Children's Cabinet Accountability Fund	250,000	750,000
Children's Cabinet Early Childhood	2,750,000	--
Discretionary Grant Program		--
HealthWave	1,000,000	1,000,000
Smart Start Kansas	--	11,260,000
Subtotal - SRS	\$ 15,800,000	\$ 24,810,000
Attorney General		
Statewide DARE Program	0	--
Department of Education		
Mentor Teacher Program Grants	0	--
In Service Education	0	--
Parent Education	1,500,000	3,500,000
Four-Year -Old At-Risk Programs	1,000,000	2,000,000
School Violence Prevention	500,000	500,000
Vision Research	250,000	250,000
Communities in Schools	125,000	125,000
Structured Mentoring	500,000	500,000
Subtotal - Dept. of Ed.	\$ 3,875,000	\$ 6,875,000
University of Kansas Medical Center		
Tele-Kid Health Care Link	250,000	250,000
Pediatric Biomedical Research	1,000,000	--
Subtotal - KU Medical Center	\$ 1,250,000	\$ 250,000
Office of the Governor		
Smoking Cessation Programs	0	--
TOTAL	\$ 29,245,000	\$ 40,755,000



Kathleen Sebelius
Commissioner of Insurance
Kansas Insurance Department

TO: Senate Committee on Financial Institutions and Insurance
FROM: Kathleen Sebelius, Insurance Commissioner
RE: SB 151– Kansas Insurance Coverage for Children (HealthWave)
DATE: February 12, 2001

Madam Chairwoman and members of the Committee:

Thank you for the opportunity to discuss with you SB 151, which relates to the very important topic of children's health insurance plan.

In 1998, SB 424 was passed which outlined the current HealthWave program and included many of the recommendations made by two task forces which studied this issue – SRS Kansas Insurance Coverage for Kids committee chaired by Senator Praeger, and the Children's Health Insurance Action Group, established through the Kansas Insurance Department.

The federal plan for KidCare set forth how states could obtain money to provide insurance coverage to certain children. There was a children's excluded section in the public law, which did not permit coverage for: 1) a child who is an inmate of a public institution or patient in an institution for mental diseases or 2) a child who is a member of a family that is eligible for health benefits coverage under a State health benefits plan on the basis of a family member's employment with public agency in the State.

SB 151, if passed, would allow that if a parent is enrolled in the employee health care benefits plan (administered by the Kansas state employee health care commission) to also

provide 100% of the cost to cover a HealthWave eligible child. The child who is eligible for insurance coverage under the plan, but is not eligible solely because the child is a member of a family that is eligible for health benefits coverage under the state health benefit plan, would now receive that very important coverage.

As a member of the Health Care Commission, I support this concept. It is a well-known fact that access to health care coverage is crucial to the well-being of Kansas children.

Uninsured children are at risk of preventable illness, and the solution is getting more children insurance coverage. I would certainly ask your favorable support of SB 151.



*Kalen (age 7) and Emma (age 4)
Currently have no health insurance.*

Testimony in support of SB 151 Meg Stockton

Senate Financial Inst. & Insurance
Date: 2-13-01
Attachment No. 3

HealthWave, children's health insurance designed for the growing classification of families known as "the working poor" whose income falls somewhere around the national poverty level but is too high for welfare benefits, has been denied to many "working poor" families due to employment with the State of Kansas. My family is one of these – my husband works 20 hours per week for the state and attends school full-time. He has access to health insurance benefits (although the cost is prohibitive) so when we applied for the recertification of the HealthWave coverage we had on our two daughters, that coverage was denied and therefore discontinued. Why is the health insurance designed for our daughters denied them? Because of a federal mandate written in the Balanced Budget Act of 1997, Public Law 105-33, Subtitle J – State Children's Health Insurance Program, Chapter 1 – State Children's Health Insurance Program, Establishment of Program (Section 4901)

"Section 2110 Definitions

Provisions

The following terms are defined: child health assistance; targeted low-income child; child; creditable health coverage; group health plan; health insurance coverage; low-income; poverty line; preexisting condition exclusion; State Child Health Plan; and uncovered child.

The term "targeted low-income child" means a child who: meets the eligibility standards set by the State; resides in a family below the greater of the following: 200 percent of poverty or 50 percentage points about the Medicaid eligibility limit; and is not eligible for Medicaid or other health insurance coverage. An exception is that the term may include children covered under a health insurance coverage program in operation since before July 1, 1997 that is offered by the State and receives no Federal funds. Children excluded are those who: are inmates of public institutions; patients in an institution for mental diseases (IMDs); and children whose families are eligible for the State employee benefits plan."

In November, when our HealthWave coverage was discontinued, my then 3-year-old daughter (she celebrated her 4th birthday on Kansas Day, January 29) had had an ear infection in June, another in September and was halfway through a 10-day dosage of antibiotics treating strep throat. Emma has suffered from 6-8 ear infections per year since birth. She's had strep throat 3 times. Her doctor has not been able to determine why Emma is so prone to ear infections or strep throat. She has always been seen regularly by her doctor for check-ups and KanBe Healthy screenings and is frequently on antibiotics due to her illnesses.

Currently, our daughters have no health insurance because we can't afford the extra \$250 per month that health insurance through either of our employers would cost. Because of deductibles, we would still be responsible for at least some of the cost of a visit to the doctor's office and then at least part of the cost of any antibiotic. We opted to take a chance that nothing major would go wrong and go without health insurance and try to take care of any needed doctor visits and/or prescription medications as they came along. If Senate Bill 151 were to pass, families such as ours would be relieved of the stress of the financial burden of insurance or the anxiety of no health insurance on their children. No child should be without adequate health care and often that is compromised due to a family's financial situation. That is why I'm here today in support of Senate Bill 151.



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Executive Director

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Kansas Action for Children
Testimony: Senate Bill No. 151

Senate Financial Institutions and Insurance Committee
February 13, 2001

Submitted by: Gary Brunk, Executive Director

Kansas Action for Children supports enactment of Senate Bill No. 151.

In the past couple years we have made significant progress toward a goal I am sure we all share: health insurance coverage for all Kansas children.

As you know, the creation of HealthWave not only provides insurance coverage for thousands of previously uninsured children, it has also brought thousands of children into the Medicaid program. It is true that we still have not met our goal of covering all children; nevertheless, the fact that 39,000 more children have health insurance since the inception of HealthWave is an important achievement.

As the number of covered children has grown, so has the sad irony of having state employees who cannot enroll their children in any existing public health insurance program. We support Senate Bill No. 151 because it addresses an inequity that needs to be rectified. We urge this Committee to support this bill and to vigorously work for its enactment.

Senate Financial Inst. & Insurance
Date: 2-13-01
Attachment No. 4



A MEMBER OF THE NATIONAL ASSOCIATION OF CHILDREN'S ACTION GROUPS

Our Work

Kansas Action for Children is an independent, not-for-profit, citizen-based corporation founded in 1979. We work on behalf of all children to ensure that their physical and emotional needs are met and that they become healthy and contributing adults.

- We *paint the picture* of Kansas children by gathering and publicizing information on child well-being through the *Kansas Children's Report Card*, the *Kansas KIDS COUNT Data Book*, and special reports.
- We *advance alternatives* by developing state policy that is family and child friendly. Over the years, programs related to early childhood development, teen pregnancy, preventive health care, citizens review boards, and services to children in troubled families have stemmed from our work.
- We *build the base* of citizen advocacy for children by working with citizens and organizations across the state. We believe that hundreds of citizens speaking out for children can help create communities that support families and children.



**Kansas
Children's
Service League**

**Testimony before the Senate Financial Institutions and Insurance
SB 151 State Employees benefit program relating to children
1/24/01**

Kansas Children's Service League is a not for profit agency serving children and families across the state. In our one hundred and eight years, KCSL has provided a range of services driven by community needed spanning the areas of Prevention, Early Intervention, Treatment and Placement. KCSL also has a long and rich tradition of advocating for the needs of Kansas children and their families as reflected in our mission. Our collective efforts are aimed at keeping children safe, families strong, and communities involved.

KCSL appears in support of SB 151 that addresses a serious gap in ensuring children and families receive vital health care coverage.

KCSL is committed to improving the quality and range of *prevention and early intervention* services including access to quality health care services for children and their families. To that end KCSL believes:

- All children are entitled to adequate and accessible health care services, an essential component in ensuring their healthy growth and development.
- Providing health care services to children is a necessary part of supporting healthful lives and environments for children. In the absence of such services, unresolved health concerns can place an undue burden on families and negatively impact their ability to provide emotional and financial stability.
- On going evaluation of health services for children, including access to services, adequate health insurance coverage, and the structure and capacity of provider the provider system, is an essential element in determining whether the health system is appropriately responsive to the needs of our children.
- Resources should be dedicated to engage children and families, currently under served by or disengaged from the health care system, in obtaining information about and access to available health care services and coverage options.

KCSL has been a good partner in promoting health care for children and families. Through our implementation of the Robert Wood Johnson Foundation grant (Kansas Covering Kids/Health Wave), KCSL has worked closely with the state and other key partners to engage in comprehensive outreach efforts to children and families who do not have access to health care and health insurance coverage.

Although the Health Wave program is critically important for the health of Kansas's children, there remain gaps such as the ones SB 151 addresses. Even with seemingly liberal income guidelines there still are many families who fall above the threshold and cannot afford coverage. There is an assumption that if everyone who qualified for Health Wave enrolled, all our children's medical needs would be addressed. Unfortunately, we all know that is not the case. People who do not qualify for Health Wave but who still cannot afford basic health care, often find themselves faced with untenable decisions. For example, one of our employees noted that a single mother was faced with choosing between her house payment and health insurance. She opted for the roof over her head.

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Senate Financial Inst. & Insurance
Date: 2-13-01
Attachment No. 5

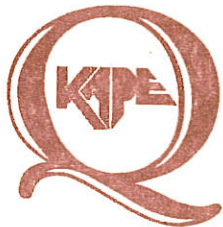


We are working closely with the Kansas Health Institute as we review how successful our strategies have been in recruiting families into Health Wave. We need to now turn our attention to how we level the playing field for those ineligible for Health Wave. SB 151 provides a good start in the right direction.

Respectfully submitted,

Melissa L. Ness, Chief Operating Officer
VP of Services & Advocacy

Jim Redmon, Director of Prevention and Community Based Services



The Kansas Association of Public Employees

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FPE / AFT / AFL-CIO

Check us out on the web! kape.org

Testimony of Andy Sanchez, Executive Assistant to the President
The Kansas Association of Public Employees, KAPE/AFT, AFL-CIO
Before the Senate Financial Institutions and Insurance Committee

Delivered on February 13, 2001

Thank you Madam Chairman, and members of the Committee. I will be very brief, but KAPE did want to have our say on SB151. Having been with KAPE about 3 ½ years, I have had a number of inquiries (about 20) from both employees of the state for their own concern and SRS Professionals, for the concern of fellow State Employees about the unavailability of Health Wave to State Employees. Thus, this week I took an unofficial and unscientific survey of my colleagues (4 of them) at KAPE to see if they have experienced the same. They had, and in total, about 140 inquiries have been made. That was a conservative estimate, which involved a number of SRS professionals who insist a number of coworkers qualify to be clientele for assistance. I suspect the number who have a need is much higher. KAPE commends Senator Jenkins and this Committee for recognizing the need for SB151 and we offer our complete support.

Thank You

Senate Financial Inst. & Insurance

Date: 2-13-01

Attachment No. 6