

MINUTES OF THE HOUSE COMMITTEE ON INSURANCE.

The meeting was called to order by Chairperson Patricia Barbieri-Lightner at 3:30 p.m. on January 23, 2003 in Room 527-S of the Capitol.

All members were present except: Excused: David Huff, Bob Grant. Absent: Broderick Henderson.

Committee staff present: Renae Hansen, Ken Wilke, Bill Wolff.

Conferees appearing before the committee: Representative Paul Davis, Kansas State Legislature, Sandy Praeger, Kansas State Insurance Commissioner.

Others attending: 14 others, see attached list for those who signed the register.

Request for Committee Bills: Representative Paul Davis requested an introduction for a committee bill with the substance of the bill identical to a Bill that was introduced in the 2000 session as bill number 2777. The bill provides parity in insurance coverage for contraceptives. (Attachment #1)

Questions were posed by: Representative Goico.

Representative Bonnie Sharp moved that we accept the bill for introduction, seconded by Representative Ray Cox, passed unanimously by the committee.

Sandy Praeger, Insurance Commissioner for the State of Kansas, gave an introduction of her staff and was before the committee to establish open lines of communication with the committee. (Attachment #2) In addition, a fact sheet on the Kansas Insurance Department FY 2001 was presented and reviewed.

Questions were posed by: Representatives Schwab, Goico, Cox, and Neighbor.

Chair Barbieri-Lightner encouraged all members to attend the Health Policy Forum, January 28, 2003.

Meeting Adjourned.

Next meeting January 30, 2003.

# HOUSE INSURANCE COMMITTEE GUEST LIST

DATE: January 23, 2003

NAME	REPRESENTING
Bill Sneed	HIAA
Scott Heidner	KSIA
Commissioner Sandy Praeger	KID
John Bunker	KID
Angie Wells	KID
Janet Burt	KID
Lee Wright	FARMERS INS.
Robert Choromanski	KTLA
Jennifer McAdam	Planned Parenthood
Sandy Braden	KAIFA
LARRY MAGILL	KAIA
Jeff Botkinberg	# <del>KA</del> SF

Requested by  
Representative  
1/23/00

Session of 2000

HOUSE BILL No. 2777

By Committee on Insurance

2-1

9 AN ACT concerning insurance; providing coverage for contraceptives;  
10 amending K.S.A. 1999 Supp. 40-2,103 and 40-19c09 and repealing the  
11 existing sections.

12

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

14 New Section 1. This act shall be known as the parity in prescription  
15 insurance and contraceptive coverage act of 2000.

16 New Sec. 2. (a) "Insured" means the beneficiary of any insurance  
17 company, fraternal benefit society, health maintenance organization and  
18 nonprofit hospital and medical service corporation authorized to transact  
19 health insurance business in this state.

20 (b) "Health insurance plan" means any hospital or medical expense  
21 policy, health, hospital or medical service corporation contract, and a plan  
22 provided by a municipal group-funded pool, or a health maintenance  
23 organization contract offered by an employer or any certificate issued  
24 under any such policies, contracts or plans. Health insurance plan does  
25 not include policies or certificates covering any specified disease, speci-  
26 fied accident or accident only coverage, credit, dental, disability income,  
27 hospital indemnity, long-term care insurance as defined by K.S.A. 40-  
28 2227 and amendments thereto, vision care or any other limited supple-  
29 mental benefit nor to any medicare supplement policy of insurance as  
30 defined by the commissioner of insurance by rule and regulation, any  
31 coverage issued as a supplement to liability insurance, workers compen-  
32 sation or similar insurance, automobile medical-payment insurance or any  
33 insurance under which benefits are payable with or without regard to  
34 fault, whether written on a group, blanket, or individual basis.

35 (c) "Outpatient contraceptive services" means consultations, exami-  
36 nations, procedures and medical services, provided on an outpatient basis  
37 and related to the use of contraceptive methods to prevent pregnancy.

38 (d) "Commissioner" means the commissioner of insurance.

39 New Sec. 3. (a) Every health insurance plan that is delivered, issued,  
40 executed, or renewed in this state or approved for issuance or renewal in  
41 this state by the commissioner on or after July 1, 2000, which provides  
42 coverage for prescription drugs on an outpatient basis or outpatient serv-  
43 ices provided by a health care professional:

House Insurance  
Date: 1-23-00  
Attachment # 11

1 (1) Shall provide coverage for any prescribed drug or device approved  
2 by the United States food and drug administration for use as a contra-  
3 ceptive; and

4 (2) shall provide coverage for the insertion or removal of such device,  
5 and any medically necessary examination associated with the use of such  
6 contraceptive.

7 New Sec. 4. No health insurance plan shall:

8 (a) Impose any deductible, coinsurance, other cost-sharing or waiting  
9 period in relation to benefits for prescription contraceptive drugs or de-  
10 vices under a health insurance plan, unless such a deductible, coinsur-  
11 ance, other cost-sharing or waiting period for such contraceptive drugs  
12 and devices is no greater than such deductibles, coinsurance, cost-sharing  
13 or waiting periods for other prescription drugs or devices covered under  
14 the health insurance plan;

15 (b) impose any deductible, coinsurance, other cost-sharing or waiting  
16 period in relation to benefits for outpatient contraceptive services under  
17 a health insurance plan, unless such a deductible, coinsurance, other cost-  
18 sharing or waiting period for such contraceptive services is no greater  
19 than such deductibles, coinsurance, cost-sharing or waiting periods for  
20 other outpatient services covered under the health insurance plan;

21 (c) deny to any individual or insured person eligibility, or continued  
22 eligibility, to enroll or to renew coverage under the terms of the plan  
23 because of the individual's or insured's use or potential use of items or  
24 services that are covered in accordance with the requirements of this act;

25 (d) provide monetary payments or rebates to a covered person to  
26 encourage such insured to accept less than the minimum protections  
27 available under this act;

28 (e) penalize or otherwise reduce or limit the reimbursement of a  
29 health care professional because such professional prescribed contracep-  
30 tive drugs or devices, or provided contraceptive services in accordance  
31 with this act; or

32 (f) provide any incentive, monetary or otherwise, to any health care  
33 professional to induce such professional to withhold from an insured con-  
34 traceptive drugs, devices or contraceptive services.

35 New Sec. 5. (a) Notwithstanding any other provision of this act, a  
36 religious employer may request a health insurance plan contract without  
37 coverage for food and drug administration approved contraceptive meth-  
38 ods that are contrary to the religious employer's religious tenets. If a  
39 religious employer so requests, a health insurance plan contract shall be  
40 provided without coverage for contraceptive methods. This section shall  
41 not be construed to deny an enrollee coverage of, and timely access to,  
42 contraceptive methods.

43 (b) For purposes of this act, a "religious employer" is an entity for



1 which each of the following is true:

2 (1) The inculcation of religious values is the purpose of the entity;

3 (2) the entity primarily employs persons who share the religious tenets  
4 of the entity;

5 (3) The entity serves primarily persons who share the religious tenets  
6 of the entity; and

7 (4) the entity is a nonprofit organization as described in Section  
8 6033(a)(2)(A)i or iii, of the federal internal revenue code of 1986, as  
9 amended.

10 (c) Every religious employer that invokes the exemption provided  
11 under this section shall provide written notice to prospective enrollees  
12 prior to enrollment with the plan, listing the contraceptive health care  
13 services the employer refuses to cover for religious reasons.

14 Section 6. K.S.A. 1999 Supp. 40-2,103 is hereby amended to read as  
15 follows: 40-2,103. The requirements of K.S.A. 40-2,100, 40-2,101, 40-  
16 2,102, 40-2,104, 40-2,105, 40-2,114 and 40-2250, and amendments  
17 thereto and K.S.A. 1999 Supp. 40-2,160 and , 40-2,165 through 40-2,170,  
18 *and section 3*, and amendments thereto, shall apply to all insurance pol-  
19 icies, subscriber contracts or certificates of insurance delivered, renewed  
20 or issued for delivery within or outside of this state or used within this  
21 state by or for an individual who resides or is employed in this state.

22 Sec. 7. K.S.A. 1999 Supp. 40-19c09 is hereby amended to read as  
23 follows: 40-19c09. (a) Corporations organized under the nonprofit med-  
24 ical and hospital service corporation act shall be subject to the provisions  
25 of the Kansas general corporation code, articles 60 to 74, inclusive, of  
26 chapter 17 of the Kansas Statutes Annotated, applicable to nonprofit cor-  
27 porations, to the provisions of K.S.A. 40-214, 40-215, 40-216, 40-218, 40-  
28 219, 40-222, 40-223, 40-224, 40-225, 40-226, 40-229, 40-230, 40-231, 40-  
29 235, 40-236, 40-237, 40-247, 40-248, 40-249, 40-250, 40-251, 40-252,  
30 40-254, 40-2,100, 40-2,101, 40-2,102, 40-2,103, 40-2,104, 40-2,105, 40-  
31 2,116, 40-2,117, 40-2a01 *et seq.*, 40-2111 to 40-2116, inclusive, 40-2215  
32 to 40-2220, inclusive, 40-2221a, 40-2221b, 40-2229, 40-2230, 40-2250,  
33 40-2251, 40-2253, 40-2254, 40-2401 to 40-2421, inclusive, and 40-3301  
34 to 40-3313, inclusive, K.S.A. 1999 Supp. 40-2,153, 40-2,154, 40-2,160,  
35 40-2,161, 40-2,163, 40-2,164 and , 40-2,165 through 40-2,170, *and section*  
36 *3*, and amendments thereto, except as the context otherwise requires, and  
37 shall not be subject to any other provisions of the insurance code except  
38 as expressly provided in this act.

39 (b) No policy, agreement, contract or certificate issued by a corpo-  
40 ration to which this section applies shall contain a provision which ex-  
41 cludes, limits or otherwise restricts coverage because medicaid benefits  
42 as permitted by title XIX of the social security act of 1965 are or may be  
43 available for the same accident or illness.

1 (c) Violation of subsection (b) shall be subject to the penalties pre-  
2 scribed by K.S.A. 40-2407 and 40-2411, and amendments thereto.  
3 Sec. 8. K.S.A. 1999 Supp. 40-2,103 and 40-19c09 are hereby  
4 repealed.  
5 Sec. 9. This act shall take effect and be in force from and after its  
6 publication in the statute book.



# Kansas Insurance Department

Sandy Praeger COMMISSIONER OF INSURANCE

## Key KID Staff Members

**Robert Tomlinson**—Assistant Insurance Commissioner. Bob served 10 years in the Kansas House of Representatives, where he served as House Insurance Committee Chairman. He is a former principal, special education teacher and counselor. Bob lives in Roeland Park.

**Jerry Wells**—Director of Government Affairs. Jerry is the former executive director the Koch Crime Institute and is a former Douglas County District Attorney. He lives in Lawrence.

**John Campbell**—Chief Legal Counsel. John most recently served as Senior Deputy Attorney General for the State of Kansas.

**Scott Holeman**—Communications Director. Scott served in the same capacity for Kansas House Speaker Kent Glasscock and for the Kansas Department of Revenue. He lives in Lawrence.

**Neil Woerman**—Director of Information Technology. Neil previously served as Director of Budget and Special Projects for Kansas Attorney General Carla Stovall. He lives in Topeka.

**Karen Rippel**—Assistant to the Commissioner. Karen is the former Executive Assistant to Senate President Dave Kerr. She lives in Topeka.

**Jim Welch**—Director of Consumer Assistance. Jim is a former Senior Deputy Attorney General in the Kansas Attorney General's Office, where he specialized in consumer protection issues. He also served for many years as Shawnee County Assistant District Attorney. He lives in Topeka.

**Deann Tiede**—Human Resources Director. She is a former Human Resource Specialist at the Kansas Department of Administration and was also Assistant to the Chief of Staff for Governor Bill Graves. She lives in Topeka.

House Insurance

Date: 1-23-2003

Attachment # 21



# Kansas Insurance Department

**Sandy Praeger** COMMISSIONER OF INSURANCE

## FY 2001 Fact Sheet

Total fees, taxes and assessments collected by the Kansas Insurance Department in FY 2001: \$86,522,119

Total tax dollars contributed to the State General Fund in FY 2001: \$68,027,621

Total workers compensation paid in calendar year 2001 to Kansas employees who re-injured a previous injury in the workplace: \$3,302,712

Insurance dollars recovered for Kansas consumers in FY 2001: \$8,947,856

Total number of consumer complaints filed and closed in FY 2001: 7,511

Fraud unit investigation opened in 2001:	121
Total fraud cases closed in 2001:	107
Cases submitted for prosecution in 2001	0
Criminal cases filed in 2001	0

### Summary of Insurance companies doing business in Kansas:

	Kansas based	Non-Kansas Based	Kansas Fraternal Societies	Total Companies
Life	12	627	30	669
Fire and Casualty	31	920	0	951
HMO	17	1	0	18
<b>TOTAL</b>	<b>60</b>	<b>1,548</b>	<b>30</b>	<b>1,638</b>

FY 2001 Statewide Firefighters Relief Fund: \$5,518,463

Agents licensed Statewide:  
21,900 (Resident)  
33,768 (Non-resident)

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