

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairperson Ruth Teichman at 9:30 a.m. on March 16<sup>th</sup>, 2004 in Room 234-N of the Capitol.

All members were present except:  
Senator David Adkins- absent

Committee staff present:  
Bill Wolff, Legislative Research  
Terri Muchmore, Legislative Research  
Ken Wilke, Office of the Revisor of Statutes  
Nancy Shaughnessy, Committee Secretary

Conferees appearing before the committee:  
Robert Day, Gov. Office of Health Planning and Finance  
Jarrod Forbes, KID

Others attending:  
See Attached List

The Chair opened the meeting by stating that this was the last week of Committee meetings and there were several bills she was wanting to work. There are a couple of omnibus bill that are being prepared so that the bills which the Senate FI&I Committee has worked will have a better chance of moving through proper channels on the other House side.

The Chair then opened the hearing on **SB-558—Creating the health business partnership fund, adding duties for the business health policy committee and health partnership**, and welcomed Bob Day.

Bob Day testified as a proponent on the bill (Attachment 1). In 2000, the legislature created the Business Health partnership. The purpose of the legislation was to create a public/private partnership whose goal was to assist small businesses in obtaining health insurance for low wage employees.

Mr. Day stated that the new legislation was proposing three substantive changes. The changes are designed to strengthen the Business Health Policy Committee's oversight of the Partnership's activities and to broaden the language regarding employer contributions.

Ken Wilke questioned the conferee regarding a second fund that is referenced in line 25-37. He believes it may be a duplication. The conferee responded that it was not their intent to set up two funds, it was in error. The Revisor will take a look at the language and find better language which does not create confusion regarding the number of funds.

Jarrod Forbes testified as a proponent on the bill (Attachment 2). He stated that the Commissioner and the Department were generally in support of the bill, but would offer one minor amendment. Page 2, line 39 which would state "within the last two years." The revisor asked for clarification on the two years. The response indicated the time frame was twenty-four consecutive months from the date of the application.

The Chair closed the hearing on **SB 558**.

The Chair wished to discuss and work **HB 2781—Prearranged funeral agreements contracts or plans** and asked Dr. Wolff to comment. Dr. Wolff stated that the bill was requested by the Kansas Banker's Association, and supported by the Funeral Directors Association, Heartland Banker's and The Department of SRS. It has to do with the distribution of funds that might be remaining in a pre-arranged funeral agreement after the services have been provided. The purpose of the bill is to establish who is to provide notice that SRS has an attachment to the balance.

CONTINUATION SHEET

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE at 9:30 a.m. on March 16<sup>th</sup>, 2004 in Room 234-N of the Capitol.

Senator Steineger makes the motion to pass the bill out favorably. Senator Helgerson seconds. Motion passes.

**HB 2685–Payday loans, concerning the regulation thereof** is the next bill for consideration. Dr. Wolff commented that the bill amends the one section of the UCCC that establishes how payday loans are to be made in the state. It is the only statute on the books that addresses payday loans.

There are a number of provisions: the bill establishes a seven day minimum term, it limits the number of loans to three for any borrower within a thirty day period of time, requires the lenders to stamp the check immediately, also allows the borrower under the terms specified to rescind the transaction, then it outlines a list of acts and practices that are prohibited in connection with the loan.

Senator Barnett moved that the bill be advanced favorably. Senator Brungardt seconds. Motion passes.

Meeting adjourned at 10:00 A.M..

The next meeting is scheduled for March 17<sup>th</sup>, 2004.

SENATE FINANCIAL INSTITUTIONS & INSURANCE

Date: MARCH 16

Name:

Representing:

TUESDAY

Jane Forbes

KID

Hannie Ann Lower

KA HP

Natalie Haag

Security Benefit

Jennifer Tels

SRS

Robert Day

OHP:F

Bill Sneed

ARMP

Larry Magill

Ks. ASSN OF INS AGENTS

David Hanson

Ks Insur Assns



# KANSAS

GOVERNOR'S OFFICE OF HEALTH PLANNING AND FINANCE

ROBERT M. DAY, DIRECTOR

KATHLEEN SEBELIUS, GOVERNOR

**Testimony on the Business Health Partnership  
presented to  
The Senate Financial Institutions  
and Insurance Committee  
by Robert M. Day, Ph.D.  
Director  
Governor's Office of Health Planning and Finance**

**March 16, 2004**

For additional information contact:  
Governor's Office of Health Planning and Finance  
Robert Day, Ph.D., Director

Landon State Office Building  
900 SW Jackson Street, Suite 509  
Topeka, KS 66612  
Phone: 785-296-3512  
Fax: 785-296-3468

[www.ksgovernor.org/workgroups\\_hp](http://www.ksgovernor.org/workgroups_hp)

Senate F I & I Meeting

Meeting Date: 3-16-04

Attachment No: 1

LONDON STATE OFFICE BUILDING, ROOM 509, TOPEKA, |

Voice 785-296-3512 Fax 785-296-3468

**Governor's Office of Health Planning and Finance**  
**Robert M. Day, Ph.D., Director**

Senate Financial Institutions and Insurance Committee  
March 16, 2004

**Business Health Partnership**

Madam Chairperson members of the committee, I am Robert Day, Director of the Governor's Office of Health Planning and Finance. In 2000 the legislature created the Business Health Partnership. The purpose of the legislation was to create a public/private partnership whose goal was to assist small businesses in obtaining health insurance for their low wage employees. As envisioned by the legislation the Kansas Health Policy Committee would oversee the activities of the Partnership, a not for profit entity, which would contract with two or more health plans to provide coverage. The Partnership would be able to receive state subsidies and/or be linked to Medicaid and SCHIP funding for eligible children. To date neither activity has occurred, largely because the state has not been in a position to take on this financial burden.

We are proposing three substantive changes in the previous legislation. These changes are designed to strengthen the Business Health Policy Committee's oversight of the Partnership's activities and to broaden the language regarding employer contributions. One of the advantages large employers have in providing health benefits is access to professional benefits departments that can assure that their employees have well designed plans. If and when subsidies and linkage to Title XIX or XXI monies become available to the Health Policy Committee those businesses enrolled in the Business Health

Partnership plans should be provided the same level of service large employers enjoy. Toward this end we believe the Policy Committee should assure appropriate levels of benefits and report on the plans' performance as it relates to both quality and access to preventive services.

It is increasingly clear that escalating health care costs and the subsequent increases in health premiums make the original intent of this legislation even more salient. The proposed changes in this legislation are designed to strengthen the Business Health Partnership and to position it to assume a more meaningful role in the future.



# K a n s a s I n s u r a n c e D e p a r t m e n t

Sandy Praeger COMMISSIONER OF INSURANCE

## COMMENTS ON

SB 558—KANSAS BUSINESS HEALTH POLICY PARTNERSHIP  
SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE  
March 16, 2004

Madam Chair and Members of the Committee:

Thank you for the opportunity to visit with you on behalf of the Kansas Insurance Department. We are generally supportive of SB 558, however we do have one minor amendment.

On page 2, line 39, after the word coverage, we would like to insert "within the last two years."

This change would make the Kansas Business Health Partnership law consistent with the small business tax credit laws. In addition we believe this language would be more inclusive, by allowing more businesses to take advantage of the partnership opportunity.

With that madam chair, I would be happy to stand for questions.

Jarrold Forbes  
Legislative Liaison

Senate F I & I Committee

Meeting Date: 3-16-04

Attachment No: 2