

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairman Ruth Teichman at 9:30 A.M. on January 23, 2007 in Room 234-N of the Capitol.

All members were present except Dennis Wilson

Committee staff present:

Melissa Calderwood, Kansas Legislative Research Department
Terri Weber, Kansas Legislative Research Department
Ken Wilke, Office of Revisor of Statutes
Bev Beam, Committee Secretary

Conferees appearing before the committee:

Bill Sneed, Polsinelli Shalton Welte Suelthaus
Jim McLean, Kansas Health Institute

Others attending:

See attached list.

The Chair welcomed everyone to the meeting.

Bill Sneed, representing America's Health Insurance Plans, a trade association representing nearly 1,300 member companies providing health insurance coverage to more than two million Americans introduced a bill that is the model bill from the National Association of Insurance Commissioners. This bill is their attempt to codify rate and form filings for accident and health insurance. This NAIC model was recently approved by the NAIC. America's Health Insurance Plans is working to have this bill introduced in various states, and to ultimately have all states approve this uniform bill. This bill is an act pertaining to accident and health insurance; rate and form filings. (Attachment 1)

Senator Barnett moved introduction of the bill. Senator Brungardt seconded. Motion passed.

Jim McLean, Vice President for Public Affairs of the Kansas Health Institute, gave an overview of the Kansas Health Institute and what it can do for Kansans. Mr. McLean said the philosophy of KHI is to develop policies that improve the health of Kansans and in order to develop those policies, policymakers need to understand how Kansan's health is influenced by a range of factors. Some of these are:

- . Lifestyle choices we make
- . Our socioeconomic status
- . Diversity of our state
- . Education system (starting in early childhood)
- . Quality of connectedness of our communities
- . Financing, organization and effectiveness of our public health and health care systems

Mr. McLean said KHI carries out its mission of helping policymakers understand the linkages between these factors and the health of Kansans in several ways:

- . Research and policy analysis
 - . Evaluation and monitoring
 - . Convene conversations and sponsor educational forums
 - . Provide in-depth coverage of policy issues through the new KHI News Service
- (Attachment 2)

Following Q & A, the meeting adjourned at 10:30 a.m.

FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE GUEST LIST

DATE: 1-23-07

NAME	REPRESENTING
Jim McLean	KHI
Milca Shields	KHI
Haley Dakee	KWA
Kerri Spelman	KAI
MARK P. MATTEZ	VIA CHRISTI HEALTH SYSTEM
Patrick A. Hurley	Patrick J. Hurley & Co.
[unclear]	Benchmark Comments
John Beete	KID
Tom Gaches	CBA
Derek Hein	Hein Law Firm
LARRY MAGILL	Ks ASSN OF INS AGENTS
Brad Smart	BASS
Chad Austin	KS Hosp Assoc
Luke Thompson	KHPA
Megan Cagmire	"
Natalie Haces	Security Benefit
Diket Huttles	KAMU
Karin Ann Rorer	KATP

Memorandum

TO: THE HONORABLE RUTH TIECHMAN, CHAIR
SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

FROM: WILLIAM W. SNEED, LEGISLATIVE COUNSEL
AMERICA'S HEALTH INSURANCE PLANS

RE: INTRODUCTION OF COMMITTEE BILL

DATE: JANUARY 22, 2007

Madam Chair, Members of the Committee: My name is Bill Sneed and I represent America's Health Insurance Plans, which is a trade association representing nearly 1,300 member companies providing health insurance coverage to more than two million Americans. Our member companies offer medical expense insurance, long-term care insurance, disability income insurance, dental insurance, supplemental insurance, stop-loss insurance and reinsurance to consumers, employers and public purchasers.

Attached to this memorandum is a proposed bill that my client respectfully requests be introduced as a committee bill. This bill is the model bill from the National Association of Insurance Commissioners ("NAIC"), which is their attempt to codify rate and form filings for accident and health insurance. This NAIC model was recently approved by the NAIC, and my client is working to have this bill introduced in various states, and to ultimately have all states approve this uniform bill.

At the appropriate time we will be able to provide additional information regarding the bill. Again, we respectfully request the bill be introduced, and I will be happy to answer any questions.

Respectfully submitted,



William W. Sneed

*FI: I
1-23-07
Attachment 1*

WWS:kjb
Attachment

SENATE BILL No. _____

By Committee on Financial Institutions and Insurance

AN ACT pertaining to accident and health insurance; rate and form filings; amending K.S.A. 40-____ and repealing the existing section(s).

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

Section 1. As used in this section: (a) "Accident and health carrier" means an entity licensed to offer accident and health insurance in this state, or subject to the insurance laws and regulations of this state, or subject to the jurisdiction of the commissioner, that contracts or offers to contract to provide, deliver, arrange for, pay for or reimburse any of the costs of health care services, or any insurer that provides policies of supplemental, disability income, Medicare supplement or long term care insurance.

(b) "Commissioner" means the insurance commissioner of this state.

(c) "Health care services" means services for the diagnosis, prevention, treatment, cure or relief of a health condition, illness, injury or disease.

(d) "Policy form" means any policy, contract, certificate, rider, endorsement, evidence of coverage or any amendments thereto that are required by law to be filed with the commissioner for approval prior to their sale or issuance for sale in this state.

(e) "Supplemental documents" means documents required to be filed in support of policy forms that may or may not be subject to approval.

(f) "Type of insurance" means those coverages listed on the NAIC Uniform Life, Accident and Health, Annuity and Credit Product Coding Matrix or any successor document under the headings "Continuing Care Retirement Communities," "Health," "Long Term Care" and "Medicare Supplement."

Sec. 2. This act shall apply to any individual or group policy form issued by an accident and health carrier required to be filed with the commissioner for review or approval.

Sec. 3. All parties in the filing process shall act in good faith and with due diligence in performance of their duties pursuant to this act.

Sec. 4. (a) Subject to the provisions of this section, no policy form subject to this act shall be delivered or issued for delivery in this state, unless it has been filed with and approved by the commissioner.

(b) (1) The commissioner shall create a document containing filing requirements for each type of insurance. The document shall contain a list of all product filing requirements contained in the statutes, regulations and published bulletins in this state having the force and effect of law, with appropriate citations to each, including the citation for the type of insurance that is required to be filed, and shall be available on the Insurance Department Internet site.

(2) The commissioner shall update the document no less frequently than annually, and within 30 days of any change in law, regulation or bulletin published by the commissioner having the force and effect of law in this state requiring its amendment.

(c) A filer shall submit a copy of the document with a policy form filing, indicating the location within the policy form or supplemental documents for each requirement contained in the document, and certifying that the policy form meets all requirements of state law.

(d) The commissioner shall review and approve, provide notice of deficiencies or disapprove the initial filing within sixty (60) days of receipt. Any notice of deficiencies or disapproval shall be in writing and based only on the specific provisions of applicable statutes, regulations or bulletins published by the commissioner having the force and effect of law in this state and contained in the document created by the commissioner pursuant to subsection B of this section. The notice of deficiencies or disapproval shall provide the reasons for notice of deficiencies or disapproval and sufficient detail for the filer to bring the policy form into compliance, and shall cite the specific statutes, regulations or bulletins upon which the notice of deficiencies or disapproval is based.

(e) A filer may resubmit a policy form that corrects any deficiencies or resubmit a disapproved policy form, and a revised certification, within thirty (30) days of its receipt of the commissioner's notice of deficiencies or disapproval. Any policy form not resubmitted within thirty (30) days of the notice of deficiencies shall be deemed withdrawn. Any disapproved policy form not resubmitted within thirty (30) days is disapproved.

(f) At the end of the review period, the form is deemed approved if the commissioner has taken no action.

(g) (1) The commissioner shall review the resubmitted filing and certification, and shall approve or disapprove it within thirty (30) days. Notice of deficiencies or disapproval shall be in writing and shall provide a detailed description of the reasons for the disapproval and sufficient detail for the filer to bring the policy form into compliance and shall cite the specific statutes, regulations or bulletins upon which the disapproval is based. No further extensions of time may be taken unless the filer has introduced new provisions in the resubmission or the filer has materially modified any substantive provisions of the policy form, in which case the commissioner may extend the time for review by an additional thirty (30) days. At the end of the review period, the policy form is deemed approved if the commissioner has taken no action.

(2) (a) Subject to Subparagraph (b), the commissioner may not disapprove a resubmitted policy form for reasons other than those initially set forth in the original notice of deficiencies or disapproval sent pursuant to subsection D of this section.

(b) The commissioner may disapprove a resubmitted policy form for reasons other than those initially set forth in the original notice of deficiencies or disapproval sent pursuant to subsection D of this section if:

(i) The filer has introduced new provisions in the resubmission;

(ii) The filer has materially modified any substantive provisions of the policy form;

(iii) There has been a change in statutes, regulations or published bulletins in this state having the force and effect of law; or

(iv) There has been reviewer error and the written disapproval fails to state a specific provision of applicable statute, regulation or bulletin published by the commissioner having the force and effect of law in this state that is necessary to have the policy form conform to the requirements of law.

(h) Notwithstanding any other provision in this section, the commissioner may return a grossly inadequate filing to the filer without triggering any of the time deadlines set forth in this section. For purposes of this subsection, a “grossly inadequate filing” means a filing that fails to provide key information, including state-specific information, regarding a product, policy or rate, or that demonstrates an insufficient understanding of what is required to comply with state statutes or regulations.

Sec. 5. Except in cases of a material error or omission in a policy form that has been approved or deemed approved pursuant to the provisions of this act, the commissioner shall not:

(a) retroactively disapprove that filing; or

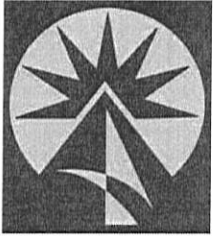
(b) with respect to those policy forms, examine the filer during a routine or targeted market conduct examination for compliance with an later-enacted policy form filing requirements.

Sec. 6. Unless otherwise required by statute, no rules or regulations issued by the commissioner impacting product filings shall be applicable to existing approved or deemed-approved policy forms except upon policy renewal or anniversary date.

Sec. 7. If a rate filing or marketing material is required to be filed or approved by state law for a specific policy form, the time frames for review, approval or disapproval, resubmission, and re-review of those rates or materials shall be the same as those provided for in Sections 4 and 5 of this act for the review of policy forms.

Sec. 8. This act shall take effect and be in force from and after its publication in the statute book.

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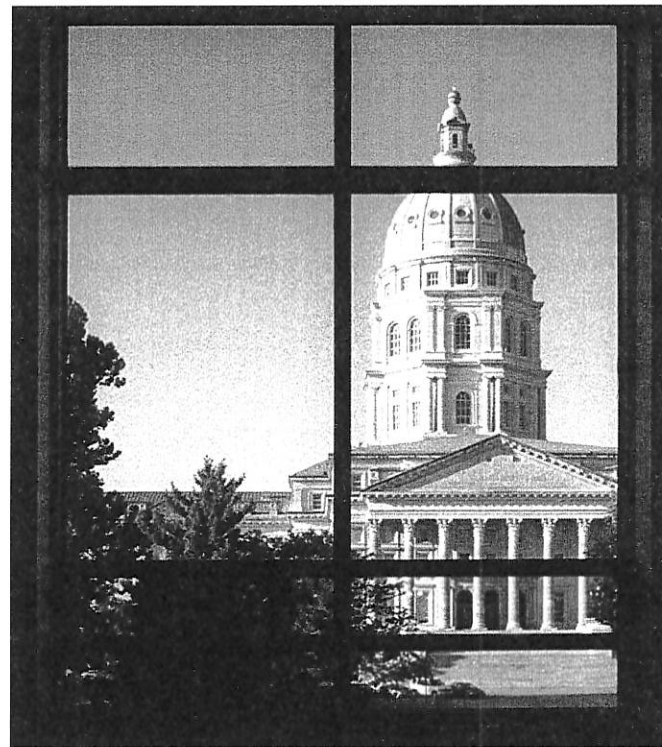
*FI&I
1-23-07
Attachment 2*

What is the Kansas Health Institute and What Can We Do For You?

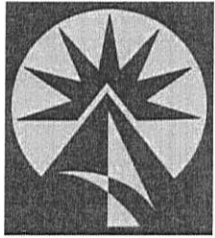
Jim McLean
Vice President for Public Affairs
Kansas Health Institute



Kansas Health Institute



Information for policy makers. Health for Kansans.



Vision

Healthier Kansans through informed
policy that addresses the many
factors influencing health



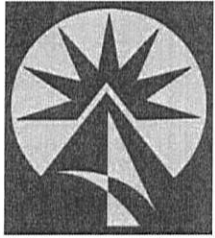
Mission

To identify, analyze and communicate information to policymakers that is timely, relevant and objective



KHI Overview

- Established in 1995, core funding from KHF
- Private, non-profit 501(c)(3)
- Non-partisan (really), no lobbying or advocacy
- Annual operating budget of \$3.1 million
- 24 full-time staff
- Use of experts/consultants *ad hoc*
- Working relationship (usually) with legislature, state agencies, associations, universities, peers
- Additional funding from local/national foundations, local, state and federal government agencies



KHI Funding Sources

■ Foundations

- National (RWJ, Packard)
- Local (KHF, UMHMF, Sunflower, REACH)

■ Government agencies

- Federal (HRSA, CDC, AHRQ)
- State (KDHE, SRS, KID, KHPA, Atty. Gen.)
- Local (Riley and Sedgwick counties)

■ Non-governmental agencies

- KALHD, KPHA, KCSL
- AcademyHealth, Urban Institute



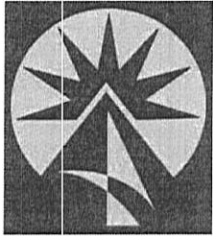
Our Philosophy of Health

- To develop policies that improve the health of Kansans, policymakers need to understand how our health is influenced by a range of factors. Among these are:
 - Lifestyle choices we make
 - Our socioeconomic status
 - Diversity of our state
 - Education system (starting in early childhood)
 - Quality and connectedness of our communities
 - Financing, organization and effectiveness of our public health and health care systems



What We Do

- KHI carries out its mission of helping policymakers understand the linkages between these factors and the health of Kansans in several ways:
 - Research and policy analysis
 - Evaluation and monitoring
 - Convene conversations and sponsor educational forums
 - Provide in-depth coverage of policy issues through the new KHI News Service



Representative Projects

- Health Care Finance and Organization
 - Impact of specialty hospitals
 - Insurance tracking project
 - Primer on Medicare Part D (Rx Drugs)
 - SCHIP & Medicaid program evaluation
 - Measuring quality of care in Medicaid
 - Oral health and dental workforce



Representative Projects

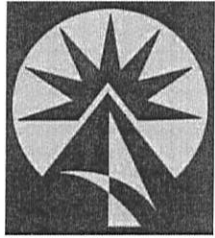
■ Public Health

- School policies on food programs and physical activity
- Childhood immunizations
- Performance standards in public health
- Bioterrorism preparedness assessment
- Statewide surveillance systems
- Minority health disparities



Representative Projects

- School readiness of kindergartners
- Social capital in Kansas communities



KHI News Service

www.khi.org