

Approved: March 11, 2008

Date

MINUTES OF THE HOUSE INSURANCE AND FINANCIAL INSTITUTIONS COMMITTEE

The meeting was called to order by Chairman Clark Shultz at 3:30 P.M. on March 10, 2008 in Room 527-S of the Capitol.

All members were present except:

Representative Mike Kiegerl- excused
Representative Brenda Landwehr- excused
Representative Cindy Neighbor- excused

Committee staff present:

Melissa Calderwood, Kansas Legislative Research Department
Terri Weber, Kansas Legislative Research Department
Bruce Kinzie, Revisor of Statutes Office
Ken Wilke, Revisor of Statutes Office
Sue Fowler, Committee Assistant

Conferees appearing before the committee:

Cindy Hermes, Kansas Insurance Department
William Sneed, America's Health Insurance Plans

Others attending:

See attached list.

Hearing on:

SB 443 **Long-term care partnership act**

Melissa Calderwood, Legislative Research Department, provided a brief overview on **SB 443**.

Proponents:

Cindy Hermes, Kansas Insurance Department, (Attachment #1), presented testimony before the committee in support of **SB 443**.

William Sneed, America's Health Insurance Plans, (Attachment #2), gave testimony in support of **SB 443**.

Hearing closed on **SB 443**.

Informational review:

SB 127 **Insurance; subsidence insurance**

Melissa Calderwood, Legislative Research Department, provided a brief overview of the Interim Study on **SB 127** and **HB 2099**.

Representative Gatewood addressed the Interim Study and provided an update to the Committee.

Next meeting will be Tuesday, March 11, 2008, 3:30 PM, in Room 527-S.

Meeting adjourned at 4:05 PM.



Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

TESTIMONY ON SB 443

HOUSE INSURANCE AND FINANCIAL INSTITUTIONS March 10, 2008

Chairman Shultz and Members of the Committee:

Thank you for the opportunity to visit with you on behalf of the Kansas Insurance Department. SB 443 would establish the Long-Term Care Partnership Program in Kansas, providing for a partnership of private long-term care insurance and medical assistance. SB 443 is a joint collaboration by the Department of Aging, Kansas Insurance Department, the Kansas Health Policy Authority and the Department of SRS. This is a consumer-friendly bill that provides an incentive for individuals in Kansas to purchase long-term care insurance.

The Long-Term Care Partnership Program provides dollar-for-dollar asset protection. Each dollar that a Partnership policy pays out in benefits entitles the individual to keep a dollar of his/her assets if they ever need to apply for Medical Assistance.

This is a consumer-friendly bill that will eventually save the State of Kansas State General Fund dollars in the future because individuals who normally would not purchase long-term care insurance may realize the incentive to "protect" their homes or other assets and still be eligible for Medical Assistance when their long-term care insurance benefits have been exhausted.

At the present time, the Kansas Insurance Department has authorized 10 different companies that offer Long-Term Care Partnership Policies. The requirements necessary for a policy to meet partnership status include:

- A tax-qualified plan
- A plan with consumer protection provisions, including rate stabilization
- Inflation protection

Thank you for the opportunity to speak today, and I would be happy to stand for any questions the committee may have.

House Insurance
Date: 3-10-08
Attachment # 1

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Memorandum

TO: THE HONORABLE CLARK SHULTZ, CHAIRMAN
HOUSE INSURANCE AND FINANCIAL INSTITUTIONS COMMITTEE

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

RE: S.B. 443

DATE: MARCH 10, 2008


Mr. Chairman, Members of the Committee: my name is Bill Sneed and I am Legislative Counsel for America's Health Insurance Plans ("AHIP"). AHIP 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. Please accept this testimony as our unequivocal support of S.B. 443.

This collaborative effort among the Kansas Department of Aging, the Kansas Insurance Department, the Kansas Health Policy Authority and the Department of SRS has created a consumer-friendly bill that provides an incentive for individuals in Kansas to purchase long-term care insurance.

We are pleased that we have been able to play a part in bringing these policies to the Kansas marketplace. We believe that as consumers continue to purchase long-term care policies, the continued pressure for more government funds for medical assistance can be lessened in the future.

Based upon the foregoing, we respectfully request that the Committee act favorably and pass out S.B. 443. I am available for questions at your convenience.

Respectfully submitted,



William W. Sneed

WWS

House Insurance
Date: 3-10-08
Attachment # 2

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